

The Politics of Tourism Development in Mexico

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Abstract

This thesis sets out to explain the development of Mexican tourism from a political point of view. The work commences by looking at the antecedents of this phenomenon on an international scale and by examining the contributions made by different disciplines to the study of tourism. The study next moves on to illustrate the main effects and consequences of the promotion of this enterprise as a developmental activity in the Third World. The core of the thesis focuses on the political analysis of the historical evolution of tourism in Mexico. It is shown, for instance, that since the late 1920s to the present the progress of this venture has been shaped by an array of distinct economic, political, ideological, and social factors. In doing so, this study aims not only to enrich our understanding of the political phenomena in general, but also to expand our comprehension of Mexican politics in particular. In the end, this thesis uses tourism in Mexico as a terrain in which notions of politics and development are re-examined, and the continuities and changes of the country's polity are reflected.

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Glossary

AMHRM	Mexican Hotel Association
ASTA	American Society of Travel Agents
CANACINTRA	National Chamber of Manufacturing Industries
CCE	Business Coordinating Council
CGT	General Confederation of Workers
COCM	Confederation of Mexican Workers and Peasants
CONAMUP	National Coordinator of Urban Movements
CNC	National Peasant Confederation
CNET	National Tourism Business Council
CNOP	National Confederation of Popular Organizations
COPARMEX	Mexican Employers Confederation
CPN	National Proletarian Confederation
CROC	Revolutionary Confederation of Workers and Peasants
CROM	Mexican Regional Labour Confederation
CTM	Confederation of Mexican Workers
DEA	Drug Enforcement Agency
FOGATUR	Tourism Guarantee and Promotion Fund
FONATUR	National Fund for Tourism Development
GATT	General Agreement on Trade and Tariffs
IDB	Inter-American Development Bank
INFRATUR	National Trust Fund for Tourist Infrastructure
IMF	International Monetary Fund
IMSS	Mexican Social Security Institute
ISI	Import Substitution Industrialization
LOPPE	Law of Political Organizations and Electoral Processes
NAFINSA	Nacional Financiera
NAFTA	North American Free Trade Agreement
NTC	National Tourism Council
OAS	Organisation of American States
OCIAA	Office of Coordinator of Inter-American Affairs
PAN	National Action Party
PCM	Communist Party of Mexico
PNR	National Revolutionary Party
PRD	Party of the Democratic Revolution
PRM	Party of the Mexican Revolution
PRI	Institutional Revolutionary Party
PVEM	Mexican Green Party
SEMARNAT	Secretariat of Natural Resources and Environment
UN	United Nations
UNESCO	United Nations Educational Scientific and Cultural Organization
WTO	World Tourism Organization

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Chapter I

The Problem for Analysis

Introduction

Mexico embarked on tourism earlier than other third world countries, and thus came to develop the physical infrastructure and the institutional setting through which an important tourist industry has emerged. Today, tourism is a decisive activity in the social life of many different communities and regions of the country. Though the expansion of tourism has had some negative impacts on the resort areas where the industry has evolved, it has also created jobs, attracted foreign exchange, and induced migration to deprived and sparsely populated regions of the country. At the beginning of the 1990s tourism was a significant generator of foreign currency and is now an important part of the national economy. Surpassed by manufacturing, oil and tourism are the second and third most important of Mexico's export activities. In 1991, tourism earned \$6 billion and oil \$7.8 billion (Fonatur, 2000: 4). By 2003, tourism gained \$8.2 billion US dollars (Secretaría de Turismo, 2004). In terms of employment, the industry occupies 1.7 million workers in direct posts, and 4.3 million in indirect positions (Fonatur, 2000: 5). It has been reported that the combined figure of both direct and indirect positions is as high as 26.3 percent of the total labour force (Secretaría de Turismo, 2000: 41). One source has estimated that nearly 12 percent of the overall Mexican workforce is employed in jobs related to tourism (Clancy, 2001: 130), whereas the secretariat of tourism has calculated that 5.5 percent of the country's workforce was engaged in direct tourism posts in 2003 (Secretaría de Turismo, 2004). In 2004, according to the Mexican government, 20.6 million international tourists visited the

country, a tourist flow which ranks Mexico among the world's leading tourist destinations (Secretaría de Turismo, n/d, DataTur).

Although tourism in Mexico hardly constitutes a mono-export as in other nations in the Caribbean and South Pacific, it is an important component of the national economy, representing nearly 8% of the GDP in 2003 (Secretaria de Turismo, 2004). But in spite of its developmental attributes, tourism in Mexico is more than the recording of international visitors, construction of hotel rooms and foreign exchange earnings. Mexican tourism is a domain where distinct forms and relations of power are encapsulated. Actually, at the back of the joyful representation of Mexican tourism, diverse economic, political and ideological forces have been moulding its course over time. Such an amalgam of shaping influences constitutes the politics of tourism in Mexico. This thesis, in consequence, aims to decode the workings of different networks of power within which the Mexican tourist industry has developed.

The period of study of this thesis runs from the late 1920s to the first years of the presidential term of Vicente Fox (2000-2006), a time when tourism has been affected by an array of different economic and political events. Among those major influences impacting upon the march of Mexican tourism it is worth taking into consideration the following: the formation of a new political regime in the 1920s and 1930s; the commencement of support for industrialization in the 1940s; the advocate role of political figures like president Miguel Alemán (1946-1952); the international and domestic ramifications of such episodes as the Cuban revolution in the 1960s; the structural weakness of the national economy to offset the external deficit which, by the late 1960s, became acute; and the economic and political implications brought by a

transition period marked by the shift from state-led to market-oriented growth and the crystallization of a more plural polity since the 1980s.

The multifarious nature of the development of Mexican tourism over a 70 years period shows that this economic activity should also be understood politically. Hence, by taking such an analytical stance, this thesis demonstrates that tourism in Mexico has not emerged spontaneously, but as a result of a mixture of distinct influences. Furthermore, this study shows that Mexican tourism has been a means by which different developmental and political aims have been attained. Such instrumental features of tourism in Mexico, however, prove that political decisions acquire a prominent role in the creation of any developmental enterprise. In fact, over the long period examined in this thesis, political actors, especially state elites (these being *políticos* or technocrats) have always played a decisive role in the unfolding of the country's tourist industry. To come to the point, the primacy of politics on the development of Mexican tourism necessitates some preliminary definitions of what politics is, what I understand by the state, an introductory insight into the polity of the country, and some clarification on the term development. After doing this, I will move on by presenting the methodological approach, indicating what the sources of information are, and illustrating the way in which this thesis is structured.

Politics

It is not my intention to fully discuss the meaning of the word, concept and activity of politics. Since the time of Ancient Greece until today many great thinkers and scholars have been involved in the study of politics. Definitions of politics differ from each other

due to the theoretical approach when interpreting a particular phenomenon, and the specific historical trajectories of the evidence examined. Politics has been related to power, conflict, government, state, conflict-resolution, domination of the capitalist class over the proletariat, and much more. The discussion continues and it seems that no consensus or agreement will be reached in the near future about the nature of politics. Thus, I do not intend to fully participate in this long lasting debate, but to attempt to draw the main features of my definition of politics. This thesis is, above all, about *The Politics of Tourism Development in Mexico*.

Despite the fact that my definition of politics has weaknesses, it gives coherence and foundation to a specific way of studying tourism development in Mexico. In this thesis I contend that Mexican tourism should be understood politically. Actually, my idea of politics aims to explain the evolution of tourism in Mexico by decoding the most salient historical circumstances and interests shaping its course. In fact, and as Nicholson argues, my definition of politics deploys "a combination of criteria of the political, either simultaneously or separately to suit particular circumstances" (Nicholson, 1984: 45). My definition of politics refers to the distinct arrangements, conflicts or impasses stemming from a social and political framework marked by differences in wealth, influence and ideology. Such a fragmented structure of society has broad political implications which are mainly expressed in disparate access to power. Essentially, the uneven constitution of the social body is nothing but the expression of political imbalances which allow certain groups or factions of class to exercise control or power over other actors.

Politics alludes to the distributional struggles which erupt as a consequence of authoritative decisions affecting the allocation of distinct resources. Additionally, politics relates to such issues as dissent and consent which arises as a result of binding dictates the main aim of which are to administer law over a given territory. Hence, politics connects with the functions of rule making and rule enforcement, that is, the art of government. Politics, however, does not only refer to the making and amending of rules, to the way in which decisions are made (that is, conciliation or negotiation), or to struggles over scarce resources. There is also politics in spheres of activity which, due to particular historical trajectories, are distinguished by a certain absence of strife and overt collision. However, if contention is not a long-lasting characteristic of an enterprise (such as Mexican tourism), this does not mean that that domain is freed of distinct forms and relations of power. Hence, my chief definition of politics focuses on decoding the workings of an assorted network of social, economic and political forces under which diverse actors operate. Furthermore, my notion of politics is concerned with deciphering the way in which a venture (such as tourism in Mexico) acquires its political nature because of the shaping drive exerted by an amalgam of various influences. In Goodin and Klingemann's words, "It is the analysis of those constraints – where they come from, how they operate, how political agents might operate within them- that seems to us to lie at the heart of the study of politics" (Goodin & Klingemann, 1996: 8).

Though this thesis presupposes that the political character of a specific enterprise (such as tourism) is not a given thing but a socially constructed reality, it also concedes that the political nature of various activities is attained because of the commands issued by power holders. In other words, the politics of religion, education, health, tourism, and so

forth, revolve around the policies (instructions or directions) dictated by those who have a right to command. Hence, the focus of political analysis also comprehends the study of decisions made in power sites charged with the functions of rule making and rule enforcement. As Sartori has pointed out, "If all these decisions are essentially political, it is because they are made by personnel located in *political sites*. This is their political nature" (Sartori, 1973: 21).

I. Theoretical Approaches

My understanding of politics rests on a stance that takes into account some of the ideas posed by Pluralism, especially Neopluralism, and Marxism. What follows is a brief explanation of those arguments advanced by Neopluralism and Marxism which I regard as valuable for my definition of politics.

The pluralist perspective has mainly located politics in the dynamics of intermediary groups, those that stand between the individual citizen and the elected leadership. For this reason, early pluralists like Truman and Dahl consider that power is not concentrated in one single group but widely spread among the many competing and well organized interests comprising society. Actually, this theory examines power by focusing on competing interests and pressures groups as key features of liberal-democratic systems (Schwarzmantel, 1994: 21). Early pluralism concentrated its description of politics and power on the interplay of groups, especially in the process through which groups press on a government whose main function is to process societal exigencies. Hence, within this viewpoint public policy is understood as the government response to the demands posed by the many groups in society. As has been said,

“political outcomes are, rather, the result of governments and, ultimately, the executive trying to mediate and adjudicate between competing demands” (Held, 1989: 45).

Early pluralism fails to recognize that differences in wealth, power, knowledge, gender, race, and ideology influence the access of individuals, groups and classes to the political system. Moreover, for early pluralism political struggle and conflict are accommodated and mediated by a government that is conceived as a mere arbitrator without interests of its own. Early pluralists thus “do not fully recognize the ability of state actors to make policy autonomously of groups” (Smith M., 1990: 308). Neopluralism, on the contrary, realizes that there are structural inequalities that prevent a fair distribution and use of power between citizens and groups in society. In fact, “neopluralism starts with the assumption that business is privileged” (Ibid: 316). But in spite of recognizing that unequal distribution of wealth and political power impinge on citizens’ inclusion in the political process, the neopluralist perspective still places too much emphasis on societal groups while state actors are left aside. As has been noted, “the main problem with the neopluralist position is... the overemphasis on the role of groups in the political process...”, and that “fails to pay sufficient attention to the autonomy of the state” (Ibid: 318). Nevertheless, given that political power is not considered exclusively in terms of class-related issues, both early pluralism and neopluralism have a broad view of the bases of political power.

Marxism has not placed politics at the core of its analysis of social phenomena, in fact the Marxist apprehension of the issue seems to be rather limited. Given that communism implies the “abolition of the state”, that is, the institutions through which conflicts of interest are ordered and regulated, for Marxism (at least its architects, Marx

and Engels) there will be a stage in history at which politics will cease to exist. They stated in *The Communist Manifesto* that, “when... class distinctions have disappeared... the public power will lose its political character” (Marx, 1926: 53). Hence, once the capitalist relations of production have been destroyed, “the *raison d’être* for the forces of law and order will have disappeared” (Held, 1996: 147). In other words, with the elimination of private property, that is the main basis or source of conflict, politics come to an end. Thus, Marxism does not elaborate on the meaning and nature of politics, and by “reducing political power to economic and class power, Marxism itself tended to marginalize or exclude certain types of issues from consideration in public discourse and from politics itself” (Ibid: 150).

In spite of the reductionism of the Marxist approach towards politics, some intellectual tools developed by it should be taken into account in order to gain an understanding of the political world. For Marxism the issue of power, that is politics, is not reduced to elite competition or group-government relations, but is related rather to the constraints imposed by economic and social structures. Marxists do not start with the postulate that power is dispersed among various groups, but seek to show that economic and social structures “affect the nature and composition of the state elite and the purposes for which state power is wielded” (Schwarzmantel, 1994: 22). Thus, the main advantage and strength of Marxism is that of providing a set of tools for examining historically specific relationships between the state and civil society, and demonstrating that public power is “deeply embedded in socioeconomic relations and linked to particular interests” (Held, 1989: 33).

Social and economic conditions are not the only constraints informing political phenomena. To the material situation influencing the distribution and use of power, and affecting the inclusion and participation of different actors in the political system, issues such as race, gender, and ideology should be added. As Marsh has pointed out, "while politics may decide outcomes, the process takes place in a context that is characterised by structured inequality; a structured inequality which, unlike pluralism, is rooted in class, gender, race and knowledge, as well as control of political resources" (Marsh, 1995: 286). In short, whereas the theoretical perspective taken in this thesis rejects the idea that "political power, properly so called, is merely the organization power of one class for oppressing another" (Marx, 1926: 53), it borrows from Marxism the claim "that politics, where it does exist, cannot be studied in isolation from the rest of society" (Callinicos, 1984: 124).

In summary, the definition of politics taken in this thesis does not overlook the observable manifestations of conflict and consensus which characterize much of the events of the political world. But in this study the political scene is neither captured by the behavior of a myriad of groups in their relationship with government, nor is it dominated by the ascendancy of one social class over another. Here, political analysis refers to the way in which historical circumstances affect the participation of diverse constituencies in the making of an enterprise such as tourism. In fact, in this thesis politics relates to deciphering the relationship between historical contingency and the political actions taken by actors such as groups, state officials, institutions, individuals, and social classes. In short, the notional stance taken here with regard to politics is eclectic because it assumes that political power is not reduced to the sole issue of class, although it recognizes that material conditions (economic and social structure) impinge

on the formation of a political domain such as tourism. This eclectic approach towards politics realizes that power is not fairly distributed among the different groups composing society, but it maintains that the absence of political action or the pervasive influence of some actors in any special terrain is to be found in the historical formation of specific economic and power structures. In the end, it is within this wider framework of power that distributional struggles and conflict over the direction of social life are to be grasped.

Politics and Tourism in Mexico

The above characterization of politics paves the way to our understanding of the workings of a mixture of forces in the making of tourism in Mexico. In other words, by starting this investigation of Mexican tourism with a preliminary definition of politics, I intend to stress the argument that behind the tourist landscape of hotels, beaches, museums and traditions there has, all the time, been an array of competing interests shaping the course of this venture. Consequently, the task of this study of the politics of tourism in Mexico is to disentangle the multifarious structure of this venture. As put by Schwartz, "Reversing the scenery reveals the visionaries, workers, politicians, land speculators, culture packagers, and various manipulators who make the destination attractive" (Schwartz, 1997: XII). To put it differently, this thesis seeks to illustrate that there is politics in Mexican tourism. However, the politics of tourism in Mexico is not a given thing, but an historically constructed enterprise which can be apprehended by tracing its antecedents in the country's past. In doing so, tourism is used here as an unusual lens through which some enduring hallmarks of the country's polity are highlighted, and changing patterns in state-society relations are expressed. Such a

particular approach to the study of tourism in Mexico, however, cannot be carried out if the theoretical contributions to the analysis of politics elaborated by both pluralism (specifically neopluralism) and Marxism are not taken into account.

To apprehend the distinctiveness of the historical trajectory of Mexican society and its political system a blend of conceptual tools advanced by both neopluralism and Marxism is needed. Such an amalgam of theoretical conceptions allows us to better appraise the nature of the conflicts (or absence of them) informing the development of tourism in Mexico. By taking this particular viewpoint of the political phenomena the role of the distinct actors involved in Mexican tourism is calibrated. In the end, the combined theoretical approach towards politics advanced in this thesis is a useful device to gain an insight into the workings of the Mexican polity. In other words, historical evidence and analysis connect each other in order to illustrate the way in which power is structured and distributed in Mexico. In short, by disentangling the functioning of the various forces shaping the course taken by Mexican tourism over a period of 70 years, this thesis sheds some light on the manner in which state actors, other social agents and distinct events have interacted and continuously recreate the polity of the country.

This inquiry into the politics of tourism in Mexico is inconclusive, however, if the role of the state and its personnel are not assessed. Actually, the political character of the expansion of Mexican tourism cannot be apprehended without exploring the historical circumstances which led state elites to play a crucial role in the making of this economic activity. But before embarking on such a new line of research, it is worth mentioning some threads concerning the concept and institution of the state.

The State

Before moving onto the characterization of the Mexican state and its role in tourism development, some comments related to my definition and understanding of the state should be made. As in the case of my interpretation of politics, my notion of the state is eclectic given that it borrows some of the theoretical elaborations constructed by Neopluralism and Marxism. I start this appraisal by taking a Weberian viewpoint, that is, by stressing the institutional character of the state. For Weber the state is "a human community that successfully claims the monopoly of the legitimate use of physical force within a given territory" (Weber, 1991: 78). This community has agreed on setting up institutions and rules through which its social, economic and political affairs are managed. The state can be capitalist or socialist depending on the type of economic system, that is, one which rests on relations of production that stem from private property, or another based on the social appropriation of the means of production. However, independently of the economic foundation, the state is that human entity which is entitled (by its legitimacy) to exert coercion when the binding rules of the association have been broken by some members of the community. In other words, the state can use physical force against some members of the association because (the state) "is considered the sole source of the right to use violence" (Ibid). The state, however, is not solely concerned with the tasks of government and control. It is an institution through which decisions are made about the central matters of production and distribution of different resources (Leftwich, 1984: 72). Hence, the state is that political organism which is the only one capable of coordinating and instructing the various social forces "to go this way instead of that, to do this and not that" (Leftwich, 2000: 7).

The picture of the state becomes more elaborate when we take into account that state institutions such as governmental ministries, the legislature, the judiciary, and the party system are occupied and directed by people. This state staff interact at different levels with other social forces in society, and through this interaction the state's aims, policies and constituency are changed. Domination and state action are then modified by the interplay between actors of which the state is just one. As Migdal has pointed out, although state officials present themselves "as distinct from society and standing above it, the state is, in fact, yet another organization in society" (Migdal, 1994: 26). The approach taken here does not see the state as a neutral actor which is incapable of making alliances and coalitions with other forces in order to carry out the policies by which society is constantly molded. Although the state is embedded in socioeconomic relations, this structural framework does not prevent such an institution from acquiring a certain degree of independence and attempting to exert control over civil society. Actually, in this thesis the state is not conceived as just the expression of class interests, despite the fact that there are structural constraints or limits to state action which indicate the latter takes the side of capital. As has been noted elsewhere, "if intervention undermines the process of capital accumulation, it simultaneously undermines the material basis of the state; hence, state policies must be consistent with capitalist relations of production" (Held, 1989: 37). Nevertheless, a theoretical stance which sees political outcomes as determined by class, prevents us from understanding the state as a political organism "which, since it cannot be other than a social network of people, exists in its own right and possesses interests of its own" (Cardoso, 1979: 51). In short, here the state is believed to be a political entity with a certain degree of autonomy from the social and economic structure within which it operates. But let's see what pluralism

and Marxism have to offer to our understanding of the state, in particular with regard to its relative independence from other social groups.

Early pluralism tends to see the state as an institution with a limited capacity to initiate policies. The state is regarded as an agency which does not concentrate power given that it is dispersed among various groups composing society. As has been argued, "in the pluralistic account, power is non-hierarchically... arranged. It is an inextricable part of an endless process of bargaining between numerous groups representing different interests..." (Held, 1989: 45). In such a context the function of the state is primarily reduced to that of mediator or arbitrator of the conflicts which erupt as a consequence of the different competing interests of society. Neopluralism still gives social groups an important role in the political process and overlooks the autonomous character of the state; however, it recognizes that policy proposals can be "initiated within particular parts of the state rather than from pressure from groups' demands" (Smith M., 1990: 320). As a matter of fact, neopluralism regards state political elites, who are public officials and elected officials of party governments, as influential actors with non-altruistic policy preferences. For example, in the *broker state model*, a concept developed by neopluralism, the high echelons of the state apparatus have their own policy preferences. In Dunleavy and O'Leary's words, the broker state "is an interest group state in which elected party government is only first amongst equals"; in consequence, the broker state "is not passive, neutral or indeed a black box" (Dunleavy & O'Leary, 1987: 47-48) as it is regarded by other pluralist perspectives such as, for example, *the weathervane model* of the American pluralists of the 1950s.

For Karl Marx social phenomena are to be understood as a result of historically determined class relations. Political structure, in consequence, is defined by exploitative terms of interaction between capital and wage-labour. It is for this reason that the two main abstract representations of the state constructed by Marx exhibit the state's aim to sustain the reproduction of capitalist relations of production. In writings such as *The Communist Manifesto*, for example, it is affirmed that "the executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie" (Marx, 1926: 33). This picture of the state, however, prevents us from understanding how and why such an institution can advance policies by means of which its interests are met. After all, in this conceptualization state action is inextricably oriented to the invariable support of capital.

It is the Marxist analysis of the state as a political organism that acts with relative independence from the dominant (capitalist) class, which, as in the case of neopluralism, becomes useful for the study of the politics of tourism in Mexico. Such an autonomous role of the state and its relative insulation from the interests and pressures of groups and social classes, can be better appreciated by using the *arbiter model* drawn by Marx in *The Eighteenth Brumaire of Louis Bonaparte*. In this model the state acquires a somewhat autonomous role from direct control by capitalists when, during certain special historical contexts, there is a balance in the class struggle. As has been pointed out, "exceptional periods... occur in which the warring classes balance each other so nearly that the state power, as ostensible mediator, momentarily acquires a certain degree of independence of both" (Engels cited in Dunleavy & O'Leary, 1987: 209). In this Marxist interpretation of the state, members of the large bureaucratic and military organization, become "an autonomous source of political action" (Held, 1989: 35); a

bureaucratic corps through which “the state attempts to exert control over civil society” (Badie & Birnbaum, 1983: 5). However, if the state can attain a certain degree of autonomy from groups and social classes, especially from “those who own and control the productive apparatus” (Held, 1989: 35), there are structural limits to state action. In fact, in the long term, state policies cannot put at risk the reproduction of the capitalist system. If the system cannot be reproduced and capital accumulation comes to a halt, then the state loses a major source of resources, tax revenue, for its survival. In the end, state autonomy should not be understood as irreconcilable conflict between state and capital; these two actors, after all, continuously bargain but they do not try to destroy each other. In Reyna’s words, “the bourgeoisie and the state are mutually dependent” (Reyna, 1977: 158).

Summarizing, I understand by the state that institution which is entitled to use physical force and impose order when there is a threat to the whole society. The state is an institution, however, composed by a set of organizations which are represented and directed by people. And through these representatives and officials the state not only interacts with other social forces, but seeks to attain its own interests. Hence, the state and its staff are not neutral entities which merely act as a consequence of group pressure or because of the dictates of a social class. Actually, the state is not only the mediator between competing groups or a bureaucratic apparatus acting in support of the interests of a dominant social class; it is, above all, another political actor in society.

The Mexican State

Though the main features of the Mexican state and political regime are drawn in chapter V, some preliminary threads are presented here. It is necessary to outline some of the chief peculiarities of the state in Mexico because it has played such an important role in the making of the country's tourist industry. The state in Mexico has generally been portrayed as an institution enjoying pervasive power (Knight, 2002: 212). In fact, a long-standing hallmark of the Mexican polity has been the prominence of the state over civil society. Furthermore, it has been contended that in societies such as Mexico the state plays a forceful role, and "politics itself becomes all-encompassing" (Camp, 1989: 8). In essence, the state in Mexican society has been a vital agent influencing the behavior of other social actors and the allocation of different resources. This is not to overlook the fact that the state is interwoven in a complex social network which affects "the state's abilities to carry out any other public policies" (Migdal, 1987: 428). But to realize that in spite of the constraints embodied by a society where social control is fragmented, states such as the Mexican have acquired a certain degree of autonomy which enables them to effect change. Hence, having such ability to induce transformations in the economic, political and social realm, the state becomes a focal point of inquiry. For this reason, any analysis of the politics of tourism in Mexico should pay particular attention to the state, in particular to its capacity to induce change.

The state in Mexico, as in many less developed countries, has had a decisive influence on socio-economic change and on patterns of class formation. Contrary to what happened in nineteenth century Europe, specifically in England where its history is that of its civil society, in the Third World "an emerging dominant class did not shape the

political power embodied by the state" (O' Donnell, 1980: 718). The state emerged as a dominant agent impelled to promote the formation of an industrial bourgeoisie in order to face the pressure embodied by the alliance between a domestic export oligarchy and foreign interests. For Reyna, for example, the Mexican bourgeoisie is an actor capable of exerting political and economic pressure upon the state, but incapable of assuming leadership in national development and in the capitalist dynamic; for him, "the bourgeoisie is the son of the state" (Reyna, 1977: 158).

The position of the state in Mexican society has been a central factor informing the pace and nature of significant transformations which have taken place in the economic, political and social realm of the country. But the capacity of the Mexican state to affect society is to be found in the centralization of power in the hands of those who control the bureaucratic apparatus, and in the few restrictions or obstacles they have encountered when implementing policies. For instance, though Mexico has experienced a particular wave of democratization and a broadening of opposition forces since the 1980s, before that time governments were able to maneuver relatively free because of the existence of fragile political parties and legislatures, and the corporatist organization of interest groups. Moreover, state action was further facilitated given that civil society in Mexico has been weakly organized¹ and the president concentrated power to such an extent that his influence was exerted on all other political institutions. In short, state action in Mexico has had few checks and balances and, in consequence, decisions from the top have been implemented, generally speaking, without encountering strong opposition.

¹ Ward and Rodríguez argue that "until the late 1980s, non-government organisations were ostracized, and what civic involvement existed was invariably tied into the PRI-controlled corporatist labour, *campesino* or popular organizations, and rarely posed a threat to the established orthodoxy" (Ward & Rodríguez, 1999: 682).

In Mexico historical contingency led to the emergence of a state with the power and relative independence to intervene directly into the economy. That the state has such a character is founded in the political arrangements produced by the Mexican revolution. Actually, Özbudun points out that both the Mexican and Turkish polities “were the product of convulsive national revolutions” (Özbudun, 1970: 389). The Mexican revolution (1910-1917), which came to be a symbol of mass involvement, progressive change and nationalism (Levy & Bruhn, 1995: 176), had lasting effects on the organization and goals of the state. In fact, in order to achieve the revolution’s redistributive agenda, postrevolutionary elites (as with elites in other states around the world) “increased the size and complexity of the state apparatus” (Middlebrook, 1995: 9). The interventionist profile of the Mexican state has even led some scholars like Schneider (1999) to use the concepts “developmental or desarrollista” to characterize it. In the end, both political control and economic transformation (including tourism) were attended by a political organism (the state) which came to occupy a dominant position in society.

Political Regime in Mexico

Until recently, the political regime in Mexico has been described as civilian authoritarian, populist corporatist (Reyna, 1977), or as a system of dominant party rule (Domingo, 2000: 707). But with the electoral gains attained by both right and left opposition since the 1980s, some scholars began to argue that a reclassification of the Mexican system as a semidemocracy was justified (Diamond, et al., 1995: 8). Writing in the mid 1990s, Cornelius stated that "Mexico now seems to belong to that rapidly

expanding category of hybrid, part-free, part-authoritarian systems that do not conform to classical typologies" (Cornelius, 1996: 25). Whereas other academics like Solinger have argued that the triumph of PAN presidential candidate Vicente Fox in the electoral contest of July 2000, signaled the ending of one-party dominance and the beginning of a tortuous path towards democratic consolidation (Solinger, 2001: 30). In spite of the various characterizations of the Mexican regime, what matters is to grasp the historical factors which led to the formation of a particular polity which, ultimately, came to shape the development of the country's tourist industry.

As is demonstrated in chapter V, the prime long-standing attributes of the political regime in Mexico were established between the late 1920s and 1940. During that period the institutionalization of the country's polity was boosted with the creation of a semi-official political party and its organization along corporatist lines of representation and control. Founded in 1929 as the PNR (Partido Nacional Revolucionario), and later on (in 1938) reorganized and re-named as the PRM (Partido de la Revolución Mexicana), today's PRI became a political device through which masses of workers and peasants were pre-emptively incorporated into state controlled structures (Hamilton, 1982: 35). But by establishing such a pattern of relationships with social groups, the Mexican state emerged as a tutelary agent exerting control over organized labour and peasant movements (Anderson & Cockcroft, 1970: 302). Such controlled inclusion of large segments of Mexican society not only gave another source of legitimacy to the regime, but proved to be a crucial instrument for the maintenance of social peace. In fact, such a corporatist relationship between the state and society meant that, although the state has not been exempted from using violence and repression against independent movements, on the whole it did not eliminate opposition groups but coopted them, it did not suppress

elections but manipulated them. In the end, a regime characterized by the relatively openness to pressures and suggestions from the bottom, although still controlled from the top (Cardoso, 1979: 47), facilitated state action.

A polity distinguished by a powerful executive and hierarchical and segmented networks of patronage, granted Mexican state officials “considerable autonomy vis-à-vis collective economic interests in the making of public policy” (Heredia, 1994: 269). A strong presidency and corporatism, however, did not mean that the Mexican leadership operated in a political context completely free from resistance or opposition to its will. Cornelius has noted, for example, that both president Echeverría (1970-1976) and president Zedillo (1994-2000) were unable to implement tax reform because they encountered resistance from better off groups (Cornelius, 1996: 35). Actually, centralization of power in the executive branch of the state and collective organization through the semiofficial party, did not exclude political bargain as a long-standing characteristic of Mexican politics and of the administrative decision-making process (Purcell & Purcell, 1980: 195). That heterogeneity, internal competition and discord over policy issues have been enduring aspects of the functioning of the longtime PRI ruling class. Nonetheless, a highly centralized political system embodied by a powerful presidency and the incorporation of mass-organizations into the semi-official party, eased economic expansion. It was precisely in such a context of limited pluralism that, under the aegis of an interventionist state, the country’s economy grew at an annual average of 6 percent between 1940 and 1970. Such a rate of economic growth would lead to the formation of a nation in which “only about one fourth of the labor force remains in agriculture and a large middle class has developed” (Levy & Bruhn, 1995: 194). Limited pluralism and economic growth, however, did not eradicate social

exclusion. In fact, in the early 1990s it was estimated that there were 14 million Mexicans living in “extreme poverty” (Fox, 1997: 408).

With the gradual strengthening of both right and left opposition forces, limited pluralism began to be replaced by open contest and political uncertainty as evolving hallmarks of the Mexican regime. The erosion of the PRI’s electoral strength culminated in the victory of PAN candidate Vicente Fox in 2000, the first time that an opposition leader had captured the presidency. However, rising pluralism within Mexican society came to be manifested, mainly but not exclusively, in the presence of a more vigorous civil society, political parties, and the advent of a system of checks and balances between powers, thus making it more problematic hard for the country’s leadership to govern and to effect change. In essence, the Mexican regime has gone through a process of transformation which reflects the changing patterns of state-society relations; a change which resembles a pendulum movement oscillating from a zero-sum relationship in some cases to a state-society synergy in others (Knight, 2002 : 252).

The Mexican State and Tourism Development

Although state activism in tourism is the focal point of analysis of this thesis, this issue is worthy of some introductory reflections. The links between state and tourism in Mexico indicate, for example, that the country’s tourist policy has been a clear reflection of the distributional attribute of state intervention. Tourism development in Mexico, after all, has mainly been the end result of state action rather than the consequence of an increase in wages and free time of the Mexican population. To put it differently, political decisions have prevailed over market forces in the making of

Mexican tourism. This is not to deny that an array of different factors have played a significant role in the development of the country's tourist industry. Actually, aspects such as the proximity of the United States, and the attractiveness of beaches, colonial cities and Aztec or Mayan culture have contributed to the creation of a significant tourist sector in Mexico. Nonetheless, as this thesis demonstrates, political and developmental concerns have induced state elites in Mexico to promote tourism. In fact, government support for tourism has been influenced by issues such as political stability, world diplomacy, national security, deficit in the balance of payments, demographic concentration in urban areas, and increasing unemployment.

Though an entrepreneurial spirit has proved to be partly responsible for the development of Mexican tourism, state action has been an enduring characteristic of the unfolding of this economic activity. Actually, the Mexican state has performed the role of banker and entrepreneur in the making of tourism. It has assisted the development of this venture by building the required infrastructure, for example, roads, airports and sewage disposal. But in addition to this, the state became, particularly during the 1970s, the owner of tourist facilities such as hotels and restaurants. Through the official agency FONATUR and the main developmental bank, NAFINSA (Nacional Financiera), for instance, the Mexican state has exerted its credit capacities to assist tourism. In fact, by securing loans from international lending institutions in the late 1960s and 1970s, the Mexican state has been a stimulator of private investment. Additionally, through the Secretariat of Tourism the government formulates and implements regulations to control tourism businesses. Furthermore, by launching advertising campaigns in the international market, the Mexican government continues to give an extra push to tourism.

The dominant function that the Mexican state has performed in the development of tourism is another manifestation of historically constructed relations between this institution and society. Actually, the entrepreneurial activities undertaken by the state apparatus indicates that in the absence of a strong capitalist class or the neglect of private actors to invest, the state appears as the only centripetal force nurturing the formation of a domestic bourgeoisie. In O'Donnell's words, "instead of the state being... some sort of reflection of civil society, it was... the state that shaped the basic features of our societies" (O'Donnell, 1980: 717). In other words, the prominent role of the state in the making of Mexican tourism is another contribution to development theory, indicating that state action is a crucial muscle if developmental objectives are to be met. Additionally, tourism in Mexico demonstrates that economic bureaucracies in key development agencies such as FONATUR, NAFINSA, and Bank of Mexico have been crucial actors orienting the expansion of this venture. Although these technocratic groups have not acted as if completely independent from the surrounding social organization within which they operate, they, after all, came to acquire an embedded autonomy (Evans, 1998: 70) to shape, pursue and encourage the achievement of explicit developmental objectives (Leftwich, 1995: 401).

Since the 1980s the new Mexican leadership initiated a change in policy orientation which has given greater scope for market forces, and a more prominent role for the private sector in promoting economic growth (Cook, 1994: 16). But such a change of orientation in the political economy of the country mirrors, above all, the gradual shift in the balance of power in favour of society. Entrepreneurial endeavour and a more vigorous network of private associations have begun to exert a major influence in the

making of tourism in Mexico. Today, although the Mexican state has withdrawn from an activist role in tourism compared to the 1970s, it remains interventionist mainly through planning (Clancy, 1996: 286, 288). Nonetheless, in the end, both state oriented and market-led capital accumulation have aimed to support the expansion of the country's tourist industry.

Development

In this thesis the term development is widely used. For example, through this dissertation I have claimed that Mexican authorities have portrayed development (for example, foreign currency or jobs) as an aim to be attained by promoting the tourism industry. In this case, it must be comprehended that development ceases to be a mere word and translates into a twofold entity, that is practice and concept, which merits clarification. As practice, development is exercised by both aid agencies and governments which intend to reduce poverty, malnutrition and illiteracy. In a similar fashion, development can be an activity or a set of policies designed and pursued by governments which seek to reach some specified objectives such as economic growth or employment (Cowen & Shenton, 1996: 439-440). Development as concept is associated with a broader notion of change comprising social, economic, and political aspects. Thus, it is evident that trying to define development is a significant enterprise. This is particularly true because, as Rist has noted, it is difficult to understand what development means since the term has not only been widely taken for granted but "can mean either a state of affairs or a process" (Rist, 1979: 2). For Kothari and Minogue, "development is an idea, an objective and an activity" (Kothari & Minogue, 2002: 12). However, development has also taken the form of doctrine (Cowen & Shenton, 1996:

440), that is, a dogma which has its foundations in an idea of continuous progress by which backward societies leave behind tradition and enter a stage distinguished by the institutional, and value culture structure of the Western world. Finally, but not least important, development refers to a political, economic and social condition which is linked to the twofold notion of the developing and developed worlds. In short, given the complex nature of development it is not surprising that various meanings have been attached to it.

Though it is not my intention to get involved in an endless discussion of the meaning of development, something must be said regarding the main theoretical interpretations engaged in its analysis. Development emerged as a practice and field of study by the second half of the decade of the 1940s. The starting point was the emergence of an ever-increasing number of new nations which came to form the so-called Third World (Worsley, 1984: 17). Following Marx and Engels, dependency theorists have maintained that underdevelopment in the Third World has in large part been “the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries” (Frank, 1984: 100). If underdevelopment is to be overcome by Third World countries, a qualitative change in their internal structures and external relations of dependence must to be transformed (dos Santos, 2003: 277-278). For the other school of thought, modernization theory, it has been assumed that rationality and industrialization would be necessary if development is to happen. Individuals should be receptive to new ideas, punctual, and believe that rewards should be distributed on the basis of universalistic rules. In Scott’s words, “this change entails a move to the city, away from the powerful pull of village, farm, and tribe” (Scott, 1995: 5). Underdeveloped countries were seen as

societies to be molded along the lines of modern nations. The transit from old to modern was conceived as a catch-up process which required scientific knowledge, capital (Worsley, 1984: 19), frontier technology, and the allocation of labor, especially in those countries at low levels of industrialization containing large numbers of redundant workers in farming and petty trade (Abramovitz, 2003: 134). The change envisioned led intellectual enquiry, largely dominated by modernization theory, to study topics such as “the transformation of traditional agriculture, the modernizing impact of urbanization and industrialization, and the shifts in class structure associated with these changes...” (Roberts, et al., 1995: XIII).

These days, the long standing themes of the developmental agenda of the 1950s and 1960s still remain as a foci of study. However, the inclusion of new topics such as gender, environmental sustainability, social capital, participation and good governance (Kothari & Minogue, 2002: 2, 185, 186) has led some scholars to argue that now not much “unanimity exists in the field of development studies” (Roberts, et al., 1995: XIII). All in all, it can be claimed that the contemporary development agenda continues to be dominated by the views of those international institutions such as the World Bank which, within a global framework marked by neoliberalism, advance novel versions of old orthodoxies such as modernization theory. For the World Bank development is quality of life measured in terms of life expectancy, adult literacy, access to education, and income. In the Bank’s conception economic growth is a medium to achieve human development. Economic growth, however, is to be sustained “by the fruits of human development such as improvements in workers’ knowledge and skills along with opportunities for their efficient use: more and better jobs, better conditions for new businesses to grow, and greater democracy at all levels of decisionmaking”

(Soubotina & Shera, 2000: 7-8). Summing-up, much of existent development discourse revolves around the issue of improving “the quality of life” (Gereffi & Fonda, 1995: 3). Additionally, development rhetoric tends to over-emphasize quantitative aspects of social change by using indicators such as economic growth, productivity or gross national product (GNP). In Rist’s words, “the western paradigm has assumed that development of things was the way to the development of man... (Rist, 1979: 33).

Whilst my idea of development does not neglect the material or quantitative aspects of social change, it does not confine its focus only to economic considerations. As a matter of fact, indicators such as economic growth, foreign exchange or employment are not left aside from the developmental equation used in this dissertation, but huge social inequality in the Mexican landscape or low-skilled and seasonal jobs in the country’s tourist industry, serve as a test of official development discourse and practice. Though social exclusion and income disparities have been structural marks of the Mexican march towards modernity, this feature of the country’s development path is not the central subject of analysis of this investigation. The bone of contention of this thesis alludes to another angle of development. That angle is the ample socioeconomic context within which “development interventions” advanced by planners and policymakers “come to be embedded” (Minogue & Kothari, 2002: 181). Therefore, my conception of development practice and discourse is not separated or isolated from the whole of society. In other words, Mexican tourism as a medium to achieve wider social, economic or political aims is viewed as an integral part of a system of relations of power. It is within this broader context that political actors and institutions operate and, as a result, the developmental nature of Mexican tourism is manufactured. Thus, whatever the form development takes, (tourism, agriculture or industry) “the most

fundamental issues of development are... issues of power” (Kothari & Minogue, 2002: 13). To sum up, by denuding the labyrinth of power in which Mexican tourism is enmeshed both its developmental nature and its political face are exposed.

Literature Review

Though scholarly research on Mexican tourism is scant, some valuable analysis on the anthropological, demographic, and economic aspects of this phenomenon have been carried out. It is not my intention to fully detail the academic production generated by the different disciplines and their exponents, but it is worth taking into account, for example, that both sociologists and anthropologists have examined the changes suffered by those communities which have been affected by the development of the tourist industry. Scholars like van den Berghe (1995), Dufresne & Locher (1995) and Re Cruz (1996) have looked at tourism as a modernizing influence on the Maya communities of southern Mexico, whereas the anthropological work of Castañeda (1996) focuses on the construction of an official discourse of the Maya culture as a tourist commodity to be consumed by the traveller. Despite the fact that gender and tourism has been a topic which has received little attention, Chant (1992, 1997) has analyzed the effects of tourism on the power structure of society and family when women have become wage earners in the leisure industry at resort places such as Puerto Vallarta. In addition to this, the environmental consequences of tourism growth have been gauged by Ramirez (1992), while the economic implications of the development of tourism have been assessed by academics like Jud (1974) and Aguilar, et al. (1997), and the demographic and regional ramifications of tourism expansion have been appraised by scholars like Gormsen, et al. (1977) and Hiernaux (1989).

To a large extent the analysis of the politics of tourism in Mexico has been overlooked by social scientists. There are, however, a small number of studies which have sought to understand the tourism phenomenon politically. These are, for example, the investigations of Jiménez Martínez (1993), Clancy (1996) and Torres (1997). All these works have attempted to gain some sort of political insight into Mexican tourism. They have paid special attention to issues such as the institutional evolution of the tourist sector; the political economy of tourism as an export-led strategy; and the economic and political forging of the integral resort of Cancun in the Mexican Caribbean. Nonetheless, in spite of the copious information provided by this scholarly production, these pieces of work have not given a comprehensive appraisal of the political contours of tourism in Mexico. They have not taken into account in their appreciation of this phenomenon, that a complex web of different forces have influenced the development of Mexican tourism. In short, the limited political analysis of tourism in Mexico has left aside the assorted role of institutions, groups, classes, economic, ideological and political factors, and domestic and international events in the making of Mexican tourism.

Although political analysis is not at the core of some explorations about tourism in Mexico, there is valuable material which has recorded important aspects of the expansion of this economic activity. This is the case, for example, in the studies completed by Guajardo (1995), MacDonald Escobedo (1981), Torruco (1988), Romero (1988) and Olveda (1993). The work of Long (1991) gives an interesting picture of certain political aspects of the role played by bureaucrats responsible for tourism development in the resort of Huatulco. And the investigation of Madsen Camacho

(1996) tells us about the control exercised by trade unions over tourist workers in that seaside tourist center. The study of Dan Cothran and Cheryl Cothran (1998) is concerned with the implications of political instability and safety for tourism development in Mexico. Summarizing, except for some few studies which directly or indirectly have captured some of the political contours of tourism in Mexico, the existing literature does not provide a comprehensive picture of the conflicts and impediments informing the development of this economic activity. So, in the research literature about tourism in Mexico there is a gap in the issue of tourism and politics. In the end, this thesis attempts to expand on the political understanding of Mexican tourism by deciphering the multifarious network of forces shaping the unfolding of this phenomenon.

Sources of Information and Fieldwork

The data and information used in this thesis has been collected from primary and secondary sources. Such material has been employed for constructing some theoretical tools and gathering the evidence which allow us to grasp the political contours of the development of tourism in Mexico. The primary sources which I have utilized are archives (in particular the Archivo General de la Nación -National Records Office), official reports, international and national statistics, national newspapers, and journals. The secondary sources which I used in this study are primarily books. This investigation also applies some comparative analysis as a way of enlarging our understanding of such a multifarious phenomenon as tourism. Comparative research, for example, is particularly used when depicting some of the main features of the expansion of tourism in the Third World. In the end, and as has been said elsewhere, although comparative

research is time consuming and can make only limited generalizations. it improves conceptualization and stimulates theory building (Neuman, 1991: 396-398).

In this thesis I have applied the qualitative method in the form of semi-structured interviews. This method approaches the social world by viewing events, action, norms, and values from the perspective of the people who are being studied. Both participant observation and unstructured interviewing are closely associated tools to qualitative research (Bryman, 1988: 46). Interviews are, for instance, a valuable source of information given that they provide more of an in-depth insight into the topic. By carrying out interviews it is possible to get a privileged inside story from key actors in the field which is being studied. In the end, interviewing is a research technique which permits us to assess the responses, and changes of perspective of those actors involved in tourism development in Mexico. Those people interviewed have been (or were at the time) bureaucrats at the Secretariat of Tourism, the National Fund for Tourism Development (FONATUR, Fondo Nacional de Fomento al Turismo), chairmen of entrepreneurial organizations, or leaders of trade unions.

In summary, in this thesis I have adopted an eclectic approach to study the politics of tourism development in Mexico. As was previously indicated, such a viewpoint takes into account some conceptual formulations developed by both Marxism and Neopluralism with regard to politics and the state. A combination of sources of information and research techniques such as biographical material and interviews have been used for understanding the manner in which state action and other forces have shaped the evolution of the tourist industry in Mexico. In doing so, it is shown that there

is politics in Mexican tourism and that this economic activity should and can be apprehended from a political point of view.

The Structure of the Thesis

This thesis is divided in two parts. Part I includes this introductory chapter where I set out the problem for analysis. Chapter II, “The Story of Tourism”, in which the antecedents of this economic activity and the beginnings of mass tourism are described. Chapter III, “What is Tourism”, introduces the main notional contributions made by disciplines such as anthropology, psychology, and sociology to the study of the tourism phenomenon. The chapter contends that despite the fact that political science has overlooked the analysis of Tourism, this economic activity should be understood politically. Chapter IV, “Tourism in Developing Countries”, draws the main features of the development of this venture in the Third World. In doing this, for instance, the economic effects and social impacts of tourism development in the social milieu of developing nations is highlighted. By using comparative analysis this chapter demonstrates that tourism has been used by state elites in less developed countries as a means to attain broader developmental aims.

Part II, which is the core of this thesis, comprises four chapters. In chapter V, “Regime Building and Tourism in Postrevolutionary Mexico (1920s-1930s)”, I illustrate the manner in which the pressing need of laying the foundations of a new political regime led the Mexican ruling class of the time to initiate the promotion of tourism. In doing so, tourism began to assist the formation of a new national identity and the process of capital accumulation in postrevolutionary Mexico. Chapter VI, “The Second Stage of

Mexican Tourism. From the 1940s to the early 1950s”, demonstrates how the state elites’ project of modernization of the country came to involve the encouragement of tourism. In essence, this chapter indicates that the paramount objective of transforming a rural and backward society into a modern nation was not only undertaken by the launching of an industrialization program but by supporting tourism as well. Tourism, however, was shaped by the human agency of president Miguel Alemán (1946-1952), and international events of that period such as World War II and the usage of cinema. In chapter VII, “The Emergence of a Long Term Tourism Strategy”, I explore the economic and political conditions which led to the emergence of a planned strategy to foster the expansion of tourism in Mexico. I contend that factors such as national security, balance of payments deficit, excessive demographic concentration in urban areas, and unemployment, pushed ruling elites to launch the most ambitious plan in support of tourism. Chapter VIII, “Mexican Tourism in a Transition Period”, places the development of Mexican tourism within a framework characterized by profound economic and political transformations. This chapter shows the shift in policy orientation from state-led to market oriented tourism growth. It illustrates, above all, the change in the balance of power in favour of societal actors and the consequent emerging pluralistic profile of the country’s tourism policy arena. Chapter IX, Conclusion, asserts that the analysis of tourism cannot be isolated from wider frameworks of power within which this economic activity is framed. Without taking into account this broad background tourism is removed from domains within which it acquires its political content.

Chapter II

The Story of Tourism

Introduction

In this chapter I do not intend to fully document the history of tourism, but just to describe the main historical stages of the evolution of this phenomenon. Thus, despite the fact that this briefly chronicled account does not pretend to be comprehensive, what follows is an attempt to understand many aspects of the origins and progress of tourism. This chronological review, for example, notes the continuity and change of distinct forms of tourism in such periods as the ancient and medieval worlds; the Grand Tour era of the seventeenth and eighteenth centuries; the spas and seaside resorts of the nineteenth century; the days of Thomas Cook, the train, industrial capital and urbanization; and the arrival of modern tourism, that is, mass tourism after World War II. Prior to the inauguration of mass tourism in the second half of the twentieth century, leisure and travel were mainly reserved for a small minority of wealthy people. The beginnings of tourism were largely the result of the agency of adventurous aristocrats and pilgrims, patrician landowners and middle class businessmen; the role of the state was rather minor.

Tourism is a product of the interplay of various forces through which people and places have been transformed. For instance, the major impulses behind modern tourism have been technological improvement, rising living standards among large groups of middle and working class people in the developed world, and government intervention by means of legislation for holidays. Later, government action through financial assistance

for the construction of tourist facilities came to be a distinctive characteristic of present day tourism. Actually, historical review shows us that government involvement in tourism has occurred once the activity's value for the national and local economies has been realized. In the end, state activism in tourism reveals further political and social aspects of this phenomenon.

Preamble

Men have been travelling domestically and internationally since the time of ancient civilizations. In fact, tourism like travel has a long history and some examples of it can be traced back in time. For instance, the invention of money by the Sumerians (Babylonians) around 4000 B.C.E. spurred travel. Even cruises were organized and conducted from Egypt five thousand years ago and roads along which troops and goods were moved, were not only used by soldiers and traders but by pilgrims as well on their way to festivals and sanctuaries. If travel was not only the privilege of the wealthy, the rich and the aristocrat were the main travellers of old times. Upper class Romans, for example, made of their villas in the Bay of Naples a place for relaxing where they could build up an alternative life. But other forms of tourism followed those of Imperial Rome. In the Middle Ages travelling had religious purposes, while the Grand Tour of the seventeenth and eighteenth centuries was mainly an educational experience for the rich.

During the eighteenth century, "the great stress on health and sociability ensured the triumph of the spa" (Black, 1992: 4), whereas in the nineteenth and early twentieth centuries travel and tourism were dominated by the railway inland and by the steamship

internationally (Burkart & Medlik, 1974: 11). It was during this time, especially in England, when seaside resorts such as Blackpool were reached by middle and also working classes who could afford to travel by one of the landmarks of the industrial revolution: the train. International tourism before World War II was still a privilege of the wealthy, and the Americans were the travellers who started to make of the French Riviera a summer resort. If the outbreak of the Second World War saw a pause in domestic and international tourism, the war brought important changes through the development of the aeroplane and the construction of airfields. These two outcomes of the armed conflict have proved to be crucial for the boom of mass tourism. Since World War II the whole Mediterranean has become the pleasure periphery of North Europeans, while Americans have made of the resorts in the Caribbean and Mexico their playground sites.

Early Antecedents of Tourism

Tourism and travel are not the same, but there is no doubt that the latter is implied in the former. Nonetheless, there are early references of conscious travel in order to explore and see the world in ancient times (Robinson, 1976: 3). It is argued that there were incipient forms of tourism in such ancient civilizations such as Egypt (McIntosh, et al., 1995: 30-31) and Babylonia. Shulgi, ruler of ancient Babylonia, claimed to have protected roads and built houses for respectable wayfarers (Robinson, 1976: 3). Young notes that perhaps the first tourist in the modern sense was the Queen of Sheba, who paid a special visit to King Solomon in Jerusalem out of curiosity (Young, 1973: 9). Despite these early manifestations it is clear that some of the historical roots of tourism can be better found in both the Greek world and the Roman period. Quite similar to our

current time, both these societies and their empires developed cities and urban cultures from which members of the elite and the wealthy escaped; both Greeks and Romans had villas in the peripheries of large cities like Alexandria and Rome where they could escape the stresses of living in such metropolises. Among the Greeks there were individuals like as Herodotus (about 480-421 B.C.) who travelled widely, even though such travellers were exceptional. Visitors from all over Europe and the Middle East came to Mount Olympus for the first Olympic Games which were held in 776 BC. And “in the fourth century B.C., Xenophon recommended that public money should be spent on building hotels for visitors to Athens” (Ibid).

The vast geographical extension of the Roman Empire required an efficient network of roads for administrative, trade and military purposes. But officials, soldiers and traders were not the only ones that used these routes. Wyllie notes that ancient Romans utilized these roads for journeys to Egypt, Greece, and Asia Minor. When visiting these and other places the Roman travellers were attracted by pyramids and other monuments, medicinal baths, festivals, athletic events, and theatrical productions (Wyllie, 2000: 15). However, communication infrastructure was not the only factor that made travel possible, but two hundred years of peace, the Pax Romanus, provided security for those moving within the confines of the empire. Young points out that Roman citizens travelled on the roads, especially in the summer months. “At that time of the year, there was a general exodus from the cities to the coast...” (Young, 1973: 10). In fact, during the time of the Roman Empire there were resorts like Baiae in the Campanian littoral on the northern shore of the Bay of Naples, which was visited by senators and other wealthy people. According to Feifer, Baiae was notorious as the resort of “impure and pure delights” for the rich and the dissolute (Feifer, 1985: 12). The pleasures were so

varied and rich in maritime cities that, as Cicero warned, they posed the greatest moral danger (Ibid). In fact, Baiae was a place that became a favourite target of criticism for its luxury and moral laxity (Turner & Ash, 1975: 20, 24).

There are some antecedents of The Grand Tour in times of Imperial Rome, when the empire's elite used to visit Greece, a place of great historical and literary interest; in fact, wealthy families sent their sons to Athens or Rhodes, both eminent academic centers. Since those days people from more affluent and dominant societies have visited other places which once had a glorious past but have subsequently lost their prestige and power. It is reported that such visitors felt and showed feelings of superiority towards the host society and its people. Turner and Ash note that similar to the Englishman of the sixteenth century onwards that visited Italy, and the Americans that do Europe in the twentieth century, the Romans by going to Greece were paying tribute to an old world that was venerated because of historical and cultural reasons (1975: 28).

In short, between 2000 B.C.E. to 500 C.E. the lands around the Mediterranean Sea experienced an important evolution in travel. For Greeks, travel was associated with diverse purposes such as trade, commerce, religious reasons, festivals, medical treatment or education. In addition to the precursor role in tourism played by ancient Greece, the Roman empire also contributed to the beginning of it by constructing roads which were used for trading, military reasons and the need for overseeing the empire. However, construction of roads was not the only factor that paved the way to the emergence of early forms of tourism in the age of Imperial Rome, but "wealth, leisure, tourist attractions and the desire for travel..." also did their part (McIntosh, et al., 1995: 33). Those who travelled in those days stayed in rudimentary inns and making a journey

away from home could be risky. In fact, with the decline of the Roman Empire in the fifth century C.E. travellers were exposed to attacks on roads and the sea.

During the medieval period some forms of tourism evolved when pilgrims travelled between various cities and sacred places. In the thirteenth and fourteenth centuries, for example, pilgrimages in Europe were common and an array of charitable hospices spread. Such pilgrimages had a mix of cultural, religious and pleasure purposes, and were carried out by taking an organized tour from Venice to the Holy Land. As Robinson notes, "pilgrimage, whether to Canterbury, Santiago de Compostela or the Holy Land, became a social feature of the age" (Robinson, 1976: 4). Some French monarchs in what was an essentially agricultural society were noted for their visits to and between country chateaux (Nash, 1977: 35). However, during the Middle Ages and the Renaissance only a few people of high rank travelled; tourism like travel was a privilege of a small minority and it was for purely religious purposes, not leisure but the gateway to eternity (Sigaux, 1966: 18). In other words, although religious pilgrimage has an interesting place in the history of tourism, no one travelled for pleasure in the modern sense. The Renaissance and the great navigations of the late fifteenth and early sixteenth centuries have had an important impact in the history of travel and tourism. As Robinson suggests, the navigations shattered the narrow horizons of medieval communities, and curiosity and restlessness became a sign of the Renaissance man (Robinson, 1976: 4). After the Renaissance a larger part of the ruling stratum began to take "cures" at Spas within their own countries, such as at Bath in England, or Baden-Baden in present day Germany (Graburn, 1977: 26).

In summary, in spite of the fact that there were travellers during the old Greek world, and although it was possible to travel within the borders of the Roman empire, tourism in those days was far from being the social practice of modern times. Even if Romans vacationed in country villas and developed resorts in the Mediterranean, it is not possible to talk about tourism in premodern societies as the same kind of social phenomenon that it is today. During that time, and even some centuries later when The Grand Tour developed, travelling was a practice limited to a very small number of people and pleasure was not its only or main purpose. The emergence of mass tourism came to be the end result of a combination of forces such as technological improvements in the means of transport, greater income and leisure time for masses of workers in developed countries, and the expansion of international travel facilitated by powerful hotel and airline conglomerates. Thus, as Nash argues, "it seems clear that tourism is not totally confined to industrial or modern society; but it also is true that only in such a society does it become a pervasive social phenomenon" (Nash, 1977: 35).

The Grand Tour

As was mentioned, Greeks and Romans travelled because of pleasure, education and religious purposes. Augustine, for example, emphasized the educational value of travel in his dictum: *The world is a book; he who stays at home reads only one page* (Smith, 1977: 13). In the early days of the Grand Tour which occurred during the late sixteenth century and at the beginning of the seventeenth century, Italy was the main place to visit by English and French aristocrats. For example, Michel de Montaigne (1553-1592), a famous French scholar and traveller of that time was one of the many to succumb to the *mother of the arts*. "Between 1530 and 1540 hundreds of young Frenchmen, dazzled by

the decorative technique of Fontainebleau -stucco everywhere and a Bacchus or Adonis at every turn- flocked to Italy to see Florence, Carrara and Rome" (R. Mandrou, cited in Sigaux, 1966: 33). The Grand Tour and its distinct idea of travel as an art to be practised by a properly taught young man in order to complete his education (Stoye, 1989: X), became a particular habit of the English gentry. Although Dutch and German, Austrian and Hungarian, Bohemian and Polish, and Scandinavian nobles, gentry and urban patrician were also making these journeys for education and pleasure, "English milords had almost the monopoly of tourist travel in Europe" (Robinson, 1976: 4). A tour could take some years and during that time cities like Paris and Vienna would be visited by those, mainly young wealthy people, who wanted to acquire social refinements. Some Italian universities like those of Padua and Bologna attracted such people, but artists, writers and philosophers also spent some time in that country. Thomas Hobbes, for example, travelled in 1610 as a tutor in the service of the Cavendish family; and the poet John Milton set out on his tour in 1638 (Turner & Ash, 1975: 35). During the seventeenth century it was believed that "there was little more to be seen in the rest of the civil world after Italy, France, and the Low Countries, but plain and prodigious barbarism" (Robinson, 1976: 13).

Italy was seen by the travellers of The Grand Tour of the sixteenth and seventeenth centuries as a country worth visiting because of its universities, living scholars and ancient monuments. In the golden days of The Grand Tour, the eighteenth century, Italy lost some of this prestige and then came to be seen as a land of attractive decaying cities, where antiquity and a backward rural life enchanted and relaxed the inhabitants of the industrialized world. Travellers like the English showed imperialistic attitudes as a direct effect of their country's new power in the world; consequently these new

affluent travellers when visiting deprived areas were able to play the role of aristocrats. Turner and Ash describe this as the stage when The Grand Tour paved the way for the beginnings of mass tourism; in their words, "what was originally a culturally motivated tourism has now become, in some ways, anti-cultural -a flight from civilization and progress in search of a world of pleasure" (Turner & Ash, 1975: 49; McIntosh, et al., 1995: 37).

By the second half of the eighteenth century the Grand Tour original purpose was declining. Those travelling during that time not only did it because of educational reasons, but the pursuit of pleasure also became an important aim. Though many still travelled in the classical Grand Tour manner, that is, a long stay in Paris and Italy in order to finish their education, new travellers of the "middling sort" stressed enjoyment and amusement as the prime motive for travel (Black, 1992: 300). So, by the second half of the eighteenth century the core of the purpose of this kind of journey started to change; within the English, for instance, a new shift in social values underlying changes in attitudes towards travel came about. Furthermore, with the entering of new comers to a tourist scene which once was reserved for the aristocrats, some transformations in the social sphere were being represented. As Böröcz has pointed out, "there was a shift in the class composition of the British Grand Tour over time from landed classes to commoners" (Böröcz, 1992: 710).

Spas and Seaside Resorts

John Urry, a scholar who has analysed the phenomenon of tourism by focusing on the way the tourist gaze has changed over time, says that while the "classical Grand Tour"

was based on the emotionally neutral observation and recording of galleries and museums, the nineteenth-century "romantic Grand Tour" saw the emergence of "scenic tourism" and a much more private and passionate experience of beauty and of the sublime (Urry, 1990: 4). The rise of a romanticism that glorified nature and the countryside happened at the same time as the Industrial Revolution occurred. In other words, the Industrial Revolution produced appalling social conditions that made cities unattractive places to stay in. As Cormack points out in his account of the history of holidays in Great Britain: "The countryside, previously taken for granted, became a haven from smoke, grime and squalor. A day out in the country for town dwellers was a temporary escape" (Cormack, 1998: 57). But not only did the countryside become a worthwhile place to visit during late eighteenth and nineteenth centuries. During that time spas were also very fashionable, mainly among members of the high society in England. Sea bathing was regarded as beneficial and the rich and fashionable visited spas and seaside resorts such as Brighton and Bath. Moreover, these places also attracted visitors because of the social events, games, dancing and gambling that they offered (McIntosh, et al., 1995: 40).

Inland and seaside spas were not exclusive to England, in fact they developed on the continent two to three hundreds years before they became popular in the latter country (Robinson, 1976: 7). Spas in England were visited even before the nineteenth century. It is also recorded that competition and tension existed between rival watering places since the late seventeenth century (Young, 1973: 14). The spas, which came to play an important role in English social life, have had a place in the history of tourism. The transformation of these resorts from health and medicinal sites to pleasure and holiday places took hundreds of years. But as in other times, these spas "counted for little except

in the lives of the highest strata of society” (Robinson, 1976: 9). Later on, socioeconomic and technological transformations occurred and then the masses flocked to those watering places that once received royal patronage. In England, the train set in motion major changes affecting seaside localities. Walvin has recorded that seaside towns, “realizing the even greater economic potential of a railway link, fought to bring the railway –and the crowds- to their doorstep. In Scarborough, the railway lobby overcame the opposing isolationist lobby” (Walvin, 1978: 157). Williams and Shaw note that it was in the late nineteenth century that resorts such as Hastings and Blackpool expanded as the destinations of day trippers from the working-class districts of urban and industrial Britain (Williams & Shaw, 1997: 2).

The Beginning of Modern Tourism

During the eighteenth century, society in the western world witnessed great changes which would be crucial for tourism. One of these decisive changes was the demographic boom brought by the industrial revolution. In 1700, for example, the population of England stood at 5 million, and in 1800 it stood at 8.6 million. Between 1801 and 1831 the population rose by 50 per cent (Hill, 1961: 117). What is important to stress is that the distribution of this demographic growth shifted dramatically from rural locations to urban concentrations. This transformation in the spatial distribution of the population in a country such as Great Britain implied major changes in the social and economic realm. One of these transformations, which proved to have important consequences for tourism, was that the centre of gravity of the workplace shifted away from agricultural countryside to the industrial conurbation. As Young argues, this new organization of

peoples' workplace "lead to a demand for periodic escape back to... more salubrious surroundings" (Young, 1973: 17).

In addition to demographic growth, England experienced another important change that took place in the economic realm: industrial production expanded slowly between 1700 and 1780, and then grew spectacularly thereafter (Rojek, 1993: 13). Iron output, for example, had been 1 million tons in 1833, and by 1855 it was 3 million (Hill, 1961: 169). This productive expansion brought by the industrial revolution generated wealth that, although unequally distributed, benefited middle-class industrialists and other employees. In fact, it has been estimated that real wages in England rose by about one-third between 1850 and 1875 (Ibid: 183). Additionally, there was an improvement in living conditions for working class people; by 1870, for example, the movement for Factory Reform achieved limited working hours in many important industries (Ibid). Böröcz argues that a primary focus of working-class struggles in the mid-nineteenth and early twentieth centuries was the reduction and regulation of labour time, that is, from his point of view, "struggle for the provision of ample free time to be expended on leisure activities" (Böröcz, 1992: 713). Legislation also had a decisive influence in expanding free time. In 1871, the August bank holiday was introduced and added to traditional holidays occurring at the great religious festivals in Great Britain (Robinson, 1976: 5). Consequently, as Young has noted, "this was to add significantly to the numbers of those who could afford to travel" (Young, 1973: 18). Although these events have been decisive in the historical evolution of tourism, it would be naive to think that during that time the English workingman was living in a sort of golden age. But, nonetheless, it is during this time when the foundations of tourism as it is know today were laid down.

People started to take vacations because they had more leisure, benefited from having disposable income, and were able to use the means of transport which became faster due to technological improvement. Cormack notes that in 1880 Great Britain experienced a boom in seaside holidays. According to him, "salaries and wages had noticeably increased, and people, mostly middle class and encouraged by the railways, flocked to the coast in July and August in their thousands" (Cormack, 1998: 25). The railways, especially in England and the U.S., proved to be a great factor in stimulating travel. In the former, railway mileage was 2,044 in 1843, but thirty years was 14 000 miles (Hill, 1961: 170). In fact, railways were crucial for the transformation of sleepy fishing villages into seaside resorts (Blackpool). It is recorded that in 1862, 132,000 travelled to Brighton by train on Easter Monday alone (Walvin, 1978: 156). In summary, the Industrial Revolution set in motion further changes affecting travel and tourism. Soon, the Grand Tour in its elitist form was part of the past and new modes of transportation and new political arrangements made travel safer and cheaper for the bourgeoisie (Graburn, 1977: 25).

Thomas Cook and Tourism

The new railway system produced by the Industrial Revolution played a great role in the development of mass tourism. In 1841 a Baptist minister called Thomas Cook organized in England an all-inclusive tour to a temperance meeting by using the train. There were more tours after that one, and in 1855 Cook started his first continental operations by marketing travel to the Paris Exhibition (Young, 1973: 20). Cook found it profitable to take townspeople to the countryside and abroad. He organized tours to the Lake District,

Wales, the Isle of Man, Scotland, France, Italy, the United States, and by the 1870's to the Middle East (Graburn, 1977: 25). He also created the so called Cook's railway and hotel coupons and traveller's cheques. In fact, by the 1890's, 1.200 hotels throughout the world accepted his coupons (Turner & Ash, 1975: 54). Cook's pioneering efforts also occurred in other parts of the world. In the United States, for example, the Wells Fargo Company organized the American Express Company in 1850. This company "issued the first traveler's checks in 1891 and began other travel services, later becoming travel agents and arranging tours" (McIntosh, et al., 1995: 38).

There is no doubt that Cook has an important place in the history of organised tourism. In fact, it is not an exaggeration to recognize Thomas Cook as the first rail excursion agent, and the one who inaugurated the modern tourist industry: travel agencies, reserved seats, booking hotels, accommodation classification, traveller's cheques, timetables, and comprehensive guidebooks (Graburn & Jafari, 1991: 2). He created a revolution in tourism by taking advantage of nineteenth-century advances in transport technology such as railways and shipping. The railways, the English gift to the world, spread in Western Europe and North America. Long distances in the United States made the railway an important means of transport. Construction of railroads across the country popularized rail travel. In the United States, George Martiner Pullman had constructed the first sleeping car for railways in 1859, and he then formed the Pullman Car Company in 1867 by introducing his hotel cars with both dining and sleeping facilities (Cormack, 1998: 26). Improvements did not only take place on land but on the sea as well. According to Sigaux, at the time of the Restoration, there was a great deal of traffic between England and France and the first transatlantic steamships date from 1840 (Sigaux, 1966: 77).

The presence of Thomas Cook and his company in places like Egypt made tourism an international enterprise. The expansion of tourism transformed the sole idea of holidaying into an essential mode of international exchange. The implantation of international tourism in the world has had profound consequences for the host societies in terms of ethnic identity, social relations and the polity. Having large investments represented by, for example, fifteen steamers which operated as floating hotels as well as the actual hotel built in Luxor, the Cooks were important political figures in Egypt. Turner and Ash give an account of Cook's involvement in power and politics. In 1870, for example, John Mason Cook was officially appointed by the Khedive to act as government agent for passenger traffic on the Nile. The involvement of the Cooks in local politics was such that it was not an exaggeration to state that: "The nominal suzerian of Egypt is the Sultan, its real suzerian is Lord Cromer. Its nominal governor is the Khedive, its real governor... is Thomas Cook" (G.W. Steevens cited in Turner & Ash, 1975: 56). Almost at the same time Cook opened his offices in the Indian cities of Calcutta and Bombay. During that period, comments Graburn, travel became easy, educated middle classes visited approved parts of the world and the tourist industry followed closely on the heels of imperial and commercial expansion (Graburn, 1977: 25).

Industrial Capitalism and Tourism

During the nineteenth century the conditions for the emergence of tourism as a form of leisure mobility were set up. This emergence of tourism as leisure migration is, however, rooted within the structures of industrial capitalism. It was in the nineteenth

century that the great development of transportation technology and increased technological productivity occurred. And, although holidays had not developed in the modern sense, at least some weekly half-holidays in industry became more common. The division between work and leisure time became clear, and free time started to be standardised and commercialized. It is within this context that a man like Thomas Cook, who can be regarded as the architect of modern tourism, could become a successful tourist entrepreneur. In fact, Burkart and Medlik note that the significance of Thomas Cook's work lies in the origin of the excursion or holiday as a single transaction or package (Burkart & Medlik, 1974: 15).

In short, the beginnings of modern tourism are embedded within the socio-economic transformations that were taking place in the eighteenth and nineteenth centuries. Thus, as Williams and Shaw have pointed out, it is not a coincidence that "it was Great Britain, the birthplace of the Industrial Revolution, which witnessed the earliest, comprehensive evolution of maritime resorts and leisure towns as an integral cultural element of a rapidly urbanizing society" (Williams & Shaw, 1997: 2). For Böröcz, the uneven development of industrial capitalism shaped the emergence of tourism in a way that reflected the leading role of industrialized countries (such as England) in the world economy. In his words, "the earliest arrivals to industrial capitalism and consequently the most advanced industrial-capitalist societies tend to be those where tourism arrives first and takes the most massive proportions" (Böröcz, 1992: 734). Consequently, it was not surprising that in the late nineteenth century tourists visiting Egypt were mainly from England. It was reported that of 50 per cent of the 300 guests accommodated in the Sheppard's Hotel in Cairo, "nine-tenths were English or American" (Feifer, 1985: 192).

Tourism Before the Second World War

Working class leisure experienced great changes in the late nineteenth century. It has been recorded, for example, that by the outbreak of the First World War, workers at Rowntree's factories were enjoying two weeks paid holiday (Young, 1973: 22). During that period leisure time and activities also expanded for the middle classes which adopted practices "in some cases derivative of the upper classes" (Towner & Wall, 1991: 75). It was estimated that before First World War 150,000 Americans crossed the Atlantic annually to Europe where they became notorious due to their great expenditure (Young, 1973: 24). However, it was at the time of World War I, that scientific progress such as the motor car, and consequently rapid industrialization, put an end to the power of the aristocracy and "brought about a new revolution of tourism" (Graburn & Jafari, 1991: 3). The car had a major impact on domestic tourism. Soon, the car replaced the coach and train as the means of transport for most families. Those who were able to have a car could extend his leisure by means of short holidays and day trips (Burkart & Medlik, 1974: 29).

During the 1920s the new wealthy American tourists visited Paris and transformed the Cote d' Azure from a winter retreat of the elitist *international set* to a summer pleasure resort. In 1925 one and a half million English wage-earners were fortunate to enjoy holidays with pay. Ten years later the Swedish government suggested regular annual holidays as a main point of the International Labour Office's agenda. By that time fourteen countries had passed legislation to ensure the rights of employees to an annual paid holiday, something that came to be regarded as elementary social justice (Cormack,

1998: 65). In France a two-week paid holiday law was passed in 1936 (Wyllie, 2000: 21). However, Furlough argues that paid vacations became to be seen as not only an employee benefit. In her words, "from the 1930s and accelerating in the post-war period, paid vacations came to be understood as right of citizenship bound up within a European standard of living, part of a new social contract" (Furlough, 1998: 249). The state, through national legislation for holidays, fostered tourism and reflected the extent to which it served the interests of the middle classes. But European governments were not only aware of the significance of tourism through legislation, long before the 1930s countries such as Austria, France, Italy and Switzerland were deriving substantial incomes from an economic activity that was moving to a greater world dimension.

Before World War II, Americans did not only go to the south of France but also to Caribbean islands such as Jamaica and Cuba which had been becoming playground sites since the 1920s. Alcohol prohibition in the United States (1919) pushed some American businessmen to invest their money in places like La Havana where casino gambling was also allowed. Soon, as Schwartz has recorded, "Luxury-loving North American guests delighted in the hotel's festive atmosphere" (Schwartz, 1997: 45). According to Taylor, before 1930 Jamaica had been a favorite holiday retreat for westerners, almost exclusively for the wealthy (Taylor, 1993: 156). Leisured classes of Europe and America started to visit Jamaica by sea, given that they did not feel secure enough in the Mediterranean due to the development of Italian fascism and the growth of the conflict with Ethiopia. The outbreak of the Second World War (1939-1945) meant that pleasure travel and tourism reached an impasse.

Mass Tourism

Following the Second World War, a large increase in travel occurred when gasoline rationing was removed and automobiles were again being manufactured. Once the conflict ended, car travel expanded, as well as rail, bus, and air transport. A large number of military aircraft were converted to peacetime use, keeping fares in the affordable range. Later on the expansion of overseas travel was boosted by the introduction of jet travel in 1952 (Graburn & Jafari, 1991: 3). Technological improvement made travel faster and more comfortable; for example, travelling by plane from London to New York in 1949 took 18 hours. In 1954 the introduction of the Boeing 707 prototype revolutionized international travel and set the stage for the jumbo jet era which was to begin in the 1970s (Wyllie, 2000: 23). By this time jets could fly at 600 m.p.h. taking the tourist to far distant holiday areas such as Malta, Cyprus, Tunis or the Canary Islands, in a matter of few hours (Robinson, 1976: 25). The aeroplane was then used by white and blue-collar workers who had longer vacations and more surplus income to spend away from home.

In the 1950s, both women and men enjoyed an increase in personal disposable income due to a phase of relatively full employment. Soon, signs of rising general affluence appeared; an affluence reflected by the dramatic rise in car-ownership, the possession of a T.V., and the explosion of foreign holidays (Walvin, 1978: 141). By the 1950s workers in France and other European countries had already secured access to vacation time (Furlough, 1998: 249). It was estimated that whereas in 1925 only about 1.5 million English manual workers had paid holidays, in 1950 something like 80 per cent of all industrial workers were receiving one week's holiday with pay (Robinson, 1976:

21). The steady fall in the real cost of flying was crucial in promoting the growth of tourism. Traffic across the Atlantic and within the USA was stimulated by the introduction of tourist fares in 1952 and followed by economy class fares in 1958 (Burkart & Medlik, 1974: 31). Cheap air fares and a steady rise in reliable real incomes “allowed unprecedented numbers to participate in tourism, so that the annual holiday away from home became a habit and an expectation” (Williams & Shaw, 1997: 8). Americans started to go to their pleasure periphery in the Caribbean and Mexico, while Europeans - mainly Northern Europeans- travelled to Spain.

It was a Russian journalist educated at the London School of Economics, Vladimir Raitz, who initiated (early 1950s) the first post-war attempt to exploit charter air travel, by taking some British tourists to a camp in Corsica in a chartered airplane. But air travel was not only revolutionizing tourism in Europe. According to Turner and Ash "it was the Mexican resort of Acapulco which can probably justifiably be claimed as the first international resort to have depended primarily on air-borne tourists" (Turner & Ash, 1975: 94). Both events, however, are the product of the post-World War II air age which has shortened world distances. Since then, even the most far away places, together with their people and culture, are open to visitors from all over the world. Since then, as Smith says, the brokers of tourism, -governments, carriers, and tour operators- have encouraged and sustained foreign travel (Smith, 1977: 13).

The boom in international mass tourism took place in the 1950s when growth increased by 10.6 percent per annum. Since the 1950s until the beginning of the 1980s growth has not been constant but, nevertheless, it has mainly concentrated on Mediterranean countries such as Italy, Spain, France, and Greece. All these countries experienced

important increases in foreign tourist arrivals, although other European nations also gained from the expansion of tourism. Most of the tourists that visited the Mediterranean shore during that period travelled by low-cost charter flights, that is, inclusive, low-cost package holidays. In fact, Williams and Shaw point out that "Mediterranean holiday packages have become the model of mass tourism" (Williams & Shaw, 1988a: 18). Although a major expansion of hotel accommodation occurred in Florida after the war, the development of mass tourism in the fifties and sixties has had an European mark. It has been in the Mediterranean where post-war mass tourism has concentrated. The sunshine and the relative cheapness of the Mediterranean countries became very attractive to the more affluent residents of the cooler northern European countries (Burkart & Medlik, 1974: 34).

The package tour of the 1950s became a mass phenomenon that mainly took place in the Mediterranean. Bray notes that after Corsica, Vladimir Raitz turned his attention to Spain in 1954, "which proved the most fertile ground for the package holiday revolution" (Bray & Raitz, 2001: 21). In Spain, the summer migration transformed the shoreline where major cities sprang up (Walvin, 1978: 144). Europeans from the north flocked to the south bringing with them the money and attitudes that gradually started to change the landscape, economy and way of living of those who lived in the villages and coasts where the main assets were their sunny and warm weather. In the 1960s Swedes and above all Britons and Germans made Spain (Majorca and the Costa del Sol) the main charter destination. Williams and Shaw note that the Costa del Sol was little more than a scatter of fishing villages in the 1950s, but by the 1960s it had become a fashionable international destination, and by the 1970s a mass tourism destination (Williams & Shaw, 1998: 1). In short, not only Spain but the whole Mediterranean has

become the world's leading tourist area. According to Pridham tourist arrivals in the region skyrocketed from 58 million in 1970 to 117 million in 1986 (Pridham, 1999: 101). The massification of tourism implied that not only middle class groups enjoyed vacations, but that working class families were at last able to go abroad, something that was almost impossible in the period before the 1939-1945 war.

Statecraft and Tourism

The Spain of Franco took advantage of those external factors such as the spread of paid holidays, and rising living standards among large middle and working class groups in North European countries. Spain (Franco) pushed tourism not only because it was a valuable economic resource but also as a way "of securing tacit acceptance of his dictatorial rule by European countries" (Cals, 1983: 15). Foreign tourism to Spain expanded greatly after the 1950s, with an increase from 2.5 million visitors in 1955 to 12 million in the mid 1960s (Valenzuela, 1998: 43; Walvin, 1978: 144). But tourism expansion in Spain is not only the outcome of increases in leisure time and income of northern Europeans. State action has been decisive too. So, tourism development in Spain also occurred due to state policies such as the provision of financial credit and international publicity campaigns (Valenzuela, 1998: 43). Williams and Shaw point out that, "to some extent the boom in hotel building in Spain and Portugal during the 1950s was financed by state credits" (Williams & Shaw, 1997: 12). The importance of tourism for the Spanish economy is not only embodied in its share of GDP -around 10 percent-, but by "its contribution to the accumulation of foreign exchange reserves, without which Spanish development in the 1960s would have been much more problematic" (Valenzuela, 1988: 40). With 63 million visitors in the mid 1990s. Spain is the second-

ranked country in world tourism. In summary, it seems that a consensus has existed between Spanish political elites regarding the crucial role tourism has played for the economy of the country. Under both dictatorship and democracy, tourism has been supported by successive policymakers. In Valenzuela's words, "ideology seems to have little influence on the importance attached to tourism and the policies developed for the industry" (Ibid).

International politics and hemispheric cooperation were crucial factors for the development of tourism in those developing countries such as Cuba, Mexico, and Jamaica. American President Franklin D. Roosevelt and his advisers redirected tourist flows towards the Americas in order to strengthen hemispheric ties, at a time when the threat represented by fascism in Europe made the forging of world alliances imperative. It was thought that by holidaying away from the US, American tourists would take with them the dollars that later on Latin American and Caribbean nations would use for purchasing the American goods required for the industrialization of their economies. It was during the early 1940s when Roosevelt set up the office of Coordinator of Inter-American Affairs for achieving hemispheric solidarity. As leader of this agency Roosevelt selected Nelson A. Rockefeller, "a young man whose family business interests had given him a familiarity with, and concern for, Latin America" (Schwartz, 1997:106). Hence, by the time the Second World War had ended, Americans began to go to the Caribbean and Latin America because of the state of destruction European countries had suffered, and because of the Good Neighbour policy of the U.S. administration.

In summary, tourism before World War II was not a mass phenomenon because of the absence of a large private and government stimulus to the development of this economic activity. Burkart and Medlik point out that in the inter-war years, governments began to recognize the importance of tourism to the economy, particularly as an item in the balance of payments (Burkart & Medlik, 1974: 35). However, during that time the economic significance of tourism was still not fully appreciated. It was at the end of the Second World War when the developmental importance of tourism was not only recognized, but stimulated.

Conclusion

Travel like tourism in ancient times, and during the period of the Grand Tour was a privilege reserved to a minority. With the exception of some working class segments of countries such as Great Britain in the late nineteenth century and first decades of the twentieth century, tourism continued to be a practice largely enjoyed by the wealthy. The arrival of the mass tourism era, that is the democratization of tourism, is the outcome of the improvement of the means of transport that made travel, safer, comfortable and faster than in previous times. But tourism, especially after World War II, is also the consequence of rising standards of living and greater leisure time among large number of people in developed countries of Europe and North America. However, the decisive push for tourism development in Post-War time has been the leading role played by governments. Greater state intervention in tourism development has been one of the main distinctions between mass tourism and early days of travel in the ancient times of Greece and the Roman Empire, between the aristocratic Grand Tour and the democratization of travel. And with greater state involvement in tourism, this economic

activity has been placed within broader spheres of power which have been shaping its expansion. As Schwartz has rightly pointed out, "tourism emerged as an economic development strategy after the war, and its nature changed as the industry gained importance and became enmeshed in transnational corporate and institutional networks" (Schwartz, 1997: 108).

In the next chapter I elaborate on the meaning of tourism. I state that given the multifaceted nature of tourism, this economic activity has been approached by various disciplines such as psychology, anthropology, economics, sociology and geography. In spite of the different assumptions constructed by the many disciplines for understanding tourism, politics has largely neglected its study. Thus, despite the fact the politics has ignored tourism as a field of analysis, I argue that this economic activity must be studied from a political point of view. Tourism is, after all, a political issue too.

Chapter III

What is Tourism ?

Introduction

In this chapter I attempt to define tourism, although it is difficult to construct an all-encompassing description given the inherent complexity of the tourist phenomenon. In spite of the arduousness that this endeavor implies, I embark on such a conceptual effort by briefly sketching the main conjectural contributions formulated by the diverse disciplines of the social sciences such as sociology, psychology, and anthropology. I begin to disclose some of the constituent parts of tourism by stressing its economic importance for generating revenue, jobs, foreign exchange, and as means of urban renewal in declining industrial sites. Although the economic significance and implications of tourism will not be fully displayed, they will give us, together with notions of leisure and work, an idea of what tourism is. In the end, tourism cannot be grasped but by taking into account the various elaborations constructed by different disciplines. This assorted definition and understanding of tourism paves the way, after all, for deciphering the political nature of this phenomenon.

Whilst this chapter indicates that there is no single conception of what tourism is, it makes clear that different insights have been formulated in order to apprehend this multifarious phenomenon. For example, psychology pays special attention to the tourist's behaviour, anthropology stresses cultural contact between tourists and local people, and sociology centres on changes undergone by human organizations as a consequence of tourism expansion. Hence, I elaborate on my understanding of tourism.

and by doing this, the relationship between tourism and politics is highlighted. I conclude this chapter by stating that once tourism began to be portrayed as a developmental avenue, especially in the Third World, the activity came to be enmeshed in wider structures of economic and political power. With the resource allocation involved in tourism development, this economic activity has become a sphere where contention has emerged as a major political element of its fabric. By taking such an additional character, tourism has begun to be distinguished by something more than the mere consumption of symbols, values and other cultural assets of today's society.

Tourism as a Major Economic Activity

Tourism has been analysed as an economic activity or business, it is taught in schools and universities which have courses such as "tourism management", and tourism itself is enjoyed by many of us when travelling or going away from home and work. There are nations in the Caribbean, Latin America and South East Asia, for example, where tourism has become a major employer, tax-payer and the means by which cultural contact has occurred between different national societies and ethnic groups. Even industrialised or first world societies have used tourism as a way of urban renewal in declining industrial cities. According to Williams and Shaw, the UK presents a range of examples of how the commodification of heritage and culture can provide a base for economic development (Williams & Shaw, 1998: 1). Tourism is a distinct element in the balance of payments of many countries in the Third World, while in some industrialised nations it contributes to the accumulation of foreign exchange reserves. Tourism receipts as a percentage of exports of all goods and services were, in 1996, 16 per cent in Austria, 25% in Greece, 15% in Portugal, and 18.4% in Spain (Shaw &

Williams, 1998: 35). Richter points out that tourism has become the second largest retail industry in the U.S., and it constitutes one of the top three sources of revenue in 46 states (Richter, 1985: 832). For Asian, African and Latin American nations, tourism is seen as a relevant economic activity which can provide the foreign exchange so necessary for major investment in other sectors of the national economy. In both Jamaica (31.8% of exports of all goods and services) and Barbados, for example, tourism contributes more than any other sector to foreign exchange earnings (Meethan, 2001: 42). In Mexico, tourism is the third source of foreign exchange just surpassed by oil and manufacturing. Although most of the jobs generated by tourism are low skill and seasonal, both core and periphery societies have pursued tourism development strategies in the face of rising unemployment in the 1980s and 1990s (Williams & Shaw, 1998: 12).

Despite the fact that the most immediate benefits of tourism are its contribution to the current account and to employment, tourism also has secondary spillover effects in other economic sectors as the newly created income is spent on the purchase of other goods and services produced in the region (Eadington & Redman, 1991: 50). However, issues such as seasonality, leakage effects, and dependency upon external –and often fickle- sources of growth, have cast doubt on the alleged advantages of tourism as a panacea for economic development, especially for Third World countries. There are scholars like Lanfant who argues that international tourism is an essential mode of international exchange that implies the movement of the rich towards the tourist resorts of underdeveloped regions (Lanfant, 1993: 74). Whether tourism is seen as a developmental avenue or a new form of dependency, the fact that tourism has become a major source of job creation and revenue generation, even replacing extractive,

manufacturing, agricultural, or distribution based activities, cannot be ignored (Eadington & Redman, 1991: 42). In summary, while economics is not concerned with the motivational, historic, and sociocultural aspects of tourism, it shows that tourism has become one of the largest sectors of the world economy and, in consequence, a topic worthy of study.

The importance of tourism is not only based on its economic nature. In fact, the temporary movement of masses of people from their everyday life of work and home, to another destination can have important social and political consequences. Due to tourism development, changes have occurred in the social structure of host areas, and in class and gender relations. And although tourism generates jobs and foreign exchange, it has also caused adverse sociocultural impacts, including the dismantling of local cultures and the promotion of undesirable lifestyles (Ioannides, 1995: 250). Tourism is not only a socioeconomic phenomenon that has different kind of impacts on the host society, but it is also an economic activity composed of various disparate firms and organisations from many industries. This varied nature of tourism as a socioeconomic phenomenon is illustrated in Burkart and Medlik's words. For them, tourism "involves the activities and interests not only of large transport undertakings, owners of tourist sights and attractions, and of various tourist services at the destination, but also of central and local government" (Burkart & Medlik, 1974: V). The tourist facade is certainly a complex one. It involves the activities and interests of tourists, workers, private firms, and public organizations. Moreover, tourism can not be properly apprehended if its social, political, cultural and environmental impacts are put aside.

Tourism and Cultural Consumption

Although tourism is a phenomenon of social, political, and cultural significance, it has mainly been characterized as a set of economic activities. However, this has not prevented some scholars from taking another perspective when analysing tourism. It has been argued, for example, that tourism has replaced the role that religion has played in society “as the source and quest for meaning” (Craik, 1997: 114). Extending this argument, Graburn says that today’s travel has antecedents and equivalents in such purposeful institutions such as medieval student travel, the Crusades, and European and Asian pilgrimage circuits. In his words, “tourism... is functionally and symbolically equivalent to other institutions that humans use to embellish and add meaning to their lives” (Graburn, 1977: 17). Hence, tourism should also be seen as a cultural practice. So, for Rojek and Urry, “tourism as a cultural practice and set of objects is highly significant or emblematic within contemporary “Western” societies organised around mass mobility”. In consequence, they note that tourism has largely to be examined “through the topics, theories and concepts of cultural analysis, especially the current foci upon issues of time and space” (Rojek & Urry, 1997: 5).

Tourism is related to the new meanings and uses of space and time that derived from the transition from Fordism to flexible accumulation. In this transition, contemporary mass consumption is not only about purchasing material goods such as clothing, but also about consuming ephemeral services, experiences, and recreational activities such as leisure and sporting habits (Harvey, 1989: 285). Within this cultural notion of the tourism phenomenon, *getting away from it all* is basically an experience of place, a tourist experience consumed in terms of cultural values, and notions of escape.

hedonism and exploration. The tourism experience, however, does not only comprise the purchase of goods and services, but it also entails the consumption of places, signs, and events in the tourist destination. Tourism advertising and the mass-mediated cultural representations of vacations, for instance, have themselves become commodities. From this perspective the tourist product, i.e., mass vacations, is “an ensemble of goods and services as well as a culturally defined cluster of purchasable experiences” (Furlough, 1998: 273). Thus, tourism as a cultural practice is within a dynamic of capitalism which “is now predominantly concerned with the production of signs, images, and sign systems rather than with commodities themselves” (Harvey, 1989: 287). In summary, tourism can not be disassociated from consumption, but more specifically from the issue of commodification in today’s world, that is, in Meethan’s words, “the ways in which material culture, people and places become objectified for the purposes of the global market” (Meethan, 2001: 5)

If a scholar like Cohen states that “the tourist in our day has become a cultural type” (Cohen, 1974: 527), there are other academics like Urry who have noted that after the Second World War the very fact of being able to go away from home had become almost a marker of citizenship. In Urry’s words: “...to go on holiday, to be obviously not at work, is presumed to be a characteristic of modern citizenship...” (Urry, 1995: 130). So, tourism and culture not only overlap, but modern mass tourism has increasingly become a new social norm. By the late 1960s in a western society such as France, not leaving one’s home to go on vacation had become a “sign of social maladjustment almost as strong as the refusal to work.... the norm of vacationing quickly became an obligation” (Jean Viard quoted in Furlough, 1998: 262). A similar stance is posed by Smith who says that tourism as a form of mobility suggests that

culturally-sanctioned reasons exist for leaving home to travel (Smith, 1977: 15). In other words, tourism is embedded in social practices and norms of consumption that make it not only a citizenship marker but a social one. By touring in this or that place one gets a sign of membership to a certain social class or group. As Urry argues, “holiday-making is a form of conspicuous consumption in which status attributions are made on the basis of where one has stayed, and that depends in part upon what other people are like who stay there” (Urry, 1990: 23). So, whatever the motives people have for travelling or *getting away from it all*, there is no doubt that tourism is a major cultural force shaping modern societies.

Work and Non-Work

Tourism has also been approached by using theories of leisure and work, and by stressing the differences between routine life, and the exotic or leisured place where one is free of social obligations such as gainful employment, study, family and community responsibilities. Urry goes further by saying that those rules and restrictions of everyday life which are relaxed, are replaced by different norms of behaviour in the pleasure space that may entail new and exciting forms of sociability and playfulness (Urry, 1995: 17). In other words, the distinction between everyday life, ordinary experiences and landscape versus non-ordinary time, experiences and physical environment, has been a common way of comprehending tourism. Because tourism implies travel, and to be away from the ordinary life of work, home and its obligations, it is argued that tourism is the opposite, that is, non work, and free time experienced in another place. As Graburn argues, “a major characteristic of our conception of tourism is that it is not work, but is part of the recent invention, re-creation, which is supposed to renew us for

the workday world... Tourism is a special form of play involving travel, or getting away from it all” (Graburn, 1977: 18).

Tourism and Psychology

Anthropologists, sociologists, and psychologists have looked at tourism by paying attention to the causes, purposes, and consequences of people’s movement from ordinary home place to the non-ordinary pleasure space. Psychologists, for example, have been concerned with the specific behaviour the tourist acquires when being away from everyday social rules and constraints. As Furlough notes, “on vacation, one could break various patterns and taboos on consumption –eat and drink to excess, spend money more freely, frivolously, and recklessly, and wear outrageous clothes” (Furlough, 1998: 275). There are scholars who even state that tourism itself is a social psychological phenomenon in which the interaction between individual processes and the social situation is of prime importance for grasping the tourist behaviour (Pearce & Stringer, 1991: 143). From a psychological perspective focused on the individual, it is argued that a tourist trip is preceded by a specific need (or needs) which generates a motive for travel and establishes a purpose for the trip (Przeclawski, 1993: 11). As Craik points out, “the cultural experiences offered by tourism are consumed in terms of prior knowledge, expectations, fantasies and mythologies generated in the tourist’s origin culture...” (Craik, 1997: 118). Advertisements in street posters and mass circulation magazines, for example, depict idyllic sexually-charged natural spots where life is mainly for fun and pleasure. This mass culture representation of tourism and vacations has a highly seductive power within the social imagination.

Tourism and Anthropology

There are no well demarcated boundaries between disciplines engaged in analysing tourism. In fact, as Graburn and Jafari argue, “each discipline has increasingly become aware of, and borrowed methods and results from, related disciplines” (Graburn & Jafari, 1991: 5). The psychology of motivation, for example, has been studied by both marketing and sociology. And both sociology and anthropology have looked at the nature of tourism and its relation to ritual and play (Ibid). Anthropologists, who have used theories and methodologies with little concern for disciplinary origins, have been mainly concerned with the cultural contact and the cultural exchange brought by tourism. Travel is a key element of tourism, and it is the cross-cultural encounter between the tourist and the local or host that has been a concern for anthropologists. In Smith’s words, “tourism is a powerful medium affecting cultural change, and central to its anthropological study is the impact between hosts and guests” (Smith, 1977: 3). An anthropologist like Nash goes even further by stating that “it is the encounter between hosts and tourists which constitutes the core of a touristic system” (Nash, 1981: 462). For other scholars like Castañeda (1996) and Cohen (2001), anthropology is not solely concerned with the contact established between receiving and sending societies, but with the processes by means of which local patrimony, material artifacts, the production of knowledge, and diverse tourist activities, help to sustain representations of officially accepted notions of an ethnic past or local culture such as, for example, Maya or Zapotec in Mexico. In short, for these scholars anthropological endeavor comes to reveal the fields of power and knowledge within which the tourist apparatus is enmeshed.

Tourism and Sociology

Sociologists have also been interested in the study of tourism, but this discipline, as well as economics or anthropology, for example, cannot explain the notion of the whole and attempts to explain the tourism phenomenon by its individual aspects. Some of the main topics that are of primary interest for sociology are the change in both the standard of living and the style of life of a community which receives a flow of visitors. Tourism money touches many aspects of the life of the local community. One of the effects of tourism is to widen the fan of income especially through wage scales which consequently leads to an increased social stratification within the community (especially in Third World countries) (Foster, 1964: 225). Sociologists have also looked at the variation of male and female roles, and generational conflicts that have occurred as a consequence of tourism development within sociology there is no single perspective which has a domain in the study and analysis of the tourism phenomenon. As Echtner and Jamal have noted, among sociologists some argue for locating the sociology of tourism within a sociology of migration, others within a sociology of leisure, while a third group prefers to emphasize the travel dimension of tourism (Echtner & Jamal, 1997: 871).

Tourism: A Complex Phenomenon

In summary, there is not a single definition of tourism. Given that different disciplines have provided a partial rather than a holistic point of view, “no definition has so far gained widespread acceptance” (Przeclawski, 1993: 9). Many disciplines have developed an interest in tourism, and in consequence they have given a definition that

reflects their individual point of view. As Przeclawski points out, “an economist, a town planner or a sociologist will each perceive tourism in a different way” (Ibid). It is likely that the study of tourism will continue to suffer from a lack of totality given its fragmentation as a research topic among various disciplines. In fact, it is difficult to imagine that “a distinct discipline of tourism, such as tourismology, could or should be developed” (Echtner & Jamal, 1997: 870). However, as Graburn and Jafari argue, tourism became a serious research topic in the 1970s, and since that time “social sciences have collectively made significant contributions to its study” (Graburn & Jafari, 1991: 8).

Scholars from different disciplines have embarked on an effort to identify and explain the many meanings of tourism. For Rojek and Urry, for example, “tourism is a term waiting to be deconstructed” (Rojek & Urry, 1997: 1). Tourism as a subject of scholarly research is signaled by the many books, journals, and articles devoted to its study. However, tourism as a research topic still waits to be fully understood or apprehended. Meethan, for instance, says that tourism “at a general analytical level (it) remains under-theorised, eclectic and disparate” (Meethan, 2001: 2). Tourism has been called “commercialized hospitality”, “modern leisure activity”, “democratised travel”, “a sacred journey directed towards the utopian authentic and primitive”, a “modern pilgrimage” or a “form of neocolonialism”. It has also been argued that tourism “is but one of several modernising influences, such as the mass media, education, and urbanisation...” (de Kadt, 1979: 12). Economists, sociologists, psychologists, anthropologists, and geographers have studied the tourism phenomenon. The reason tourism has been viewed in different ways and by different disciplines is due to the many aspects –economic, social, cultural, demographic and political- involved in the

phenomena. The complexity of the tourism phenomenon has had important consequences for those studying it, mainly in terms of developing a comprehensive theoretical framework capable of unifying the many pieces of knowledge related to tourism. In fact, it can be said that given the variety of forms that tourism takes, a single approach cannot be used in order to study or understand the tourism phenomenon. As Graburn and Jafari have already stated: tourism “can be studied only if disciplinary boundaries are crossed and if multidisciplinary perspectives are sought and formed” (Graburn & Jafari, 1991: 7-8)

In 1980 the International Social Science Journal edited by UNESCO published a number specially dedicated to tourism. The editorial of that issue reflects the idea already stated about the difficulty of defining tourism given its multifarious character. It was said about tourism that...

“this amorphous phenomenon can only be apprehended in terms of various major strands for which it acts as a significant channel of convergence: interdependence of nations and subnational regions, culture contact, unequal terms of trade and of power, the interests of capital, multinational corporations and conflicts of value or ideology, changing life-styles and the transference of models or patterns of living from one context to another, as well as the application and transfer of modern technology, with its concomitant opportunities and constraints. Tourism has become an industry, a vast, globe-encircling system, the direct and indirect effects of which are still poorly understood and even less well controlled. It regenerates as it pollutes, pays off as it undermines its very base, represents a source both of constructive experience and cultural enrichment as of alienation and degradation. In short, tourism is a mirror of the contradictions inherent in the present state of world development; as such it offers excellent perspectives for analysis from diverse points of view” (Unesco, 1980: 7).

Tourism and Politics

Having briefly elaborated on the distinct angles from which tourism has been studied, it is time to take a stance within which I approach tourism and its relation to politics. First, it has to be stated that while social scientists such as anthropologists and sociologists have looked at tourism as a social phenomenon, only a few scholars have analysed the way in which tourism is related to politics, national and local governments, and public policy. For Graburn and Jafari there are two topics which are of common interest to most of the social science disciplines. These are the study of impacts of tourism and the related needs of tourism policy formulation; topics of great theoretical and applied interest for disciplines such as economics, ecology, political science and geography (Graburn & Jafari, 1991: 6). Hall argues that “the mainstream of tourism research has either ignored or neglected the political dimension of the allocation of tourism resources, the generation of tourism policy, and the politics of tourism development” (Hall, 1994a: 2). The political side of tourism has not been a major field of research, even though this economic activity has a significant influence in the social fabric of different national and local societies.

I conceive tourism as a socioeconomic phenomenon with implications of various types, and which is entangled in arenas where the interests of different actors shape its development. Hence, despite the fact that tourism implies the commodification of and consumption of images and cultures, connotes the movement of people and capital, and entails the transformation of pristine places, this socioeconomic phenomenon is also

made “from a complex skein of political choices and concerns” (Furlough, 1998: 249). In consequence, as Lanfant argues, “tourism is the product of will” (Lanfant, 1980: 15).

As an economic activity, tourism develops according to market forces, especially those of supply and demand. However, it would be naive to think that tourism has emerged without the support of some kind of organisational structure. In the twentieth century, especially after World War II, tourism has been backed not only by important multinational conglomerates, but also by governmental and developmental organizations. Without the support of both public and private agencies, tourism would not be the worldwide economic activity that is today. During the 1960s and early 1970s international bodies such as the World Bank, Unesco, and the International Monetary Fund, portrayed tourism as a new developmental avenue for Third World countries. These institutions encouraged less developed nations to promote tourism. It was even recommended that changes at the political level had to occur in order to meet the new requirements of this economic activity. In fact, in 1974, the International Union of Official Travel Organizations (IUOTO, the forerunner to the World Tourism Organization) stated that centralisation of the policy-making powers in the hands of the State was necessary for fostering tourism. Centralisation was imperative because tourism was regarded as a key sector, and only in such a way it was feasible to mobilise all available resources for underpinning tourism. As Hall has pointed out, by putting the policy-making powers in the hands of the State “...it can take appropriate measures for creating a suitable framework for the promotion and development of tourism by the various sectors concerned” (Hall, 1994a: 23).

The appeal of tourism as a path to modernity and as a means to generate wealth has been the main attraction for Third World countries when supporting such economic activity. Even in the U.S. tourism has been seen as a developmental strategy for less industrial states. Richter notes that eight of the 12 least industrialized states started (tourism) programs before 1960, “perhaps because they found tourism an important development alternative to industry” (Richter, 1985: 833). The developmental nature of tourism gives us another perspective, a political one, of this socioeconomic phenomenon. When tourism is chosen as a developmental strategy by some countries, or is portrayed as a means to (re)vitalise economically depressed or underdeveloped regions within a country, then the political side of tourism emerges more clearly. Matthews and Richter say that politicians at most governmental levels are quick to couch public sector tourism development in terms of pro-business rhetoric and policy (Matthews & Richter, 1991: 124). When political agents such as civil servants, local representatives, leaders of political parties, trade unions, or other civil organisations, talk about tourism as a developmental avenue, then moral, ideological and power considerations enter the scene. Political actors engage in the discussion of the validity of the choice of tourism becoming the main force of economic development for a country or region. Questions are posed in terms of whether or not government should be involved in tourism, and about who benefits from government policy affecting tourism (1991: 124). The discussion is also about comparing the alleged benefits brought by the tourist industry, with the supposed profits to be made from existing or potential activities (Lanfant, 1980: 29). From this point of view, tourism development is political because the state, which takes on responsibilities that commit it in the eyes of its own citizens, uses public resources (that can be invested in other economic activities) for encouraging the development of tourism.

Different groups and class factions are diversely affected by the expansion of tourism. In fact, these groups and sections of class become winners or losers, advocates or opponents, depending on the extent to which they are able to derive any sort of benefit from the development of this economic activity. For instance, entrepreneurs, workers, officials, communities, and non-governmental organizations, all these diverse actors disclose changing political positions, between pro and anti tourism growth, as a consequence of the manner in which their interests are touched. For this reason and due to the distributional struggles that arise as a result of the unequal rewards derived from tourism development, the state plays its role of arbiter or mediator. Actually, one of the main political tasks of the state is to reconcile any conflict between the pursuit of private profit and the desire for social gains that derive from tourism development. However, and from another perspective, there is also politics in tourism because decisions made by the state for encouraging this economic activity, are nothing else but the expression of conflicts, arrangements, or negotiations between different social forces. As de Kadt argues, “government policies, decisions, and plans reflect both the broad balance of power in the society and the development strategy which that balance implies” (de Kadt, 1979: 27). Furthermore, there is politics in tourism if it is taken into account that different actors manoeuvre, forge alliances, and seek to accommodate their interests in an attempt “to affect the determination of policy, policy outcomes, and the position of tourism in the political agenda” (Hall, 1994a: 213).

The politics of tourism makes itself clear, not exclusively but primarily, in the governmental and public policy sphere. Although tourism development is driven by a market oriented fashion in which the private sector plays an important role, the state is

the actor which has a broader perspective of the way tourism is embedded in economy and society. As Richter argues, “only the government is concerned with state-wide needs for economic development and diversification” (Richter, 1985: 833). If one of the primary functions of the state is to balance the various interests which are unequally affected by tourism development, this does not imply that the state does not have interests of its own, or that the government policy has not been influenced by other political forces such as the tourism caucus, trade unions or environmental groups. In other words, tourism is a political issue given that wider economic and power frameworks shape the leverage exerted by the actors and institutions engaged in the making of this industry. In short, given that tourism is a manifold consisting of numerous units with divergent and often conflicting interests, tourism development is an essentially political concept.

Tourism in Mexico

Tourism in Mexico can be apprehended by taking a viewpoint from such distinct disciplines as psychology, anthropology, and sociology. In 1994, the journal *Ciudades* edited an issue in which scholars from distinct fields of study examined the diverse expressions of the tourism phenomenon in Mexico. The articles analyse the connections between tourism and culture, social inequality, social psychology, regional development and the labor market (Ciudades, 1994). The content of this collective academic work clearly exemplifies that the varied manifestations of this phenomenon in Mexico incite different disciplines to take particular stances when investigating it. However, difference is not only circumscribed to the approaches used in the study of tourism. Mexican tourism itself is characterized by its variety, that is, by its many forms.

Tourists visiting the country do not exclusively go to seaside spots such as Acapulco or Cancún, but they also go to colonial cities (Guanajuato or Zacatecas), gambling towns in the northern frontier (Tijuana or Ciudad Juárez), or feel attracted to see the archeological sites of Teotihuacan (Aztec) or Chichén Itzá (Mayan). To put it differently, despite the fact that beach tourism is used in this thesis as a vehicle through which state action and politics in Mexico are decoded, this does not mean that border, cultural, ethnic, and other types of tourism are to be overlooked. By way of illustration, appendix 1 shows the scale of border tourism in economic terms and number of arrivals. In 2003, for example, around 45 percent of 18.7 million tourists who visited Mexico stayed for more than 24 hours in the northern border and spent USD\$ 571 million, whereas 68.7 million travellers staying less than 24 hours in that same area brought with them USD\$ 1.8 million. In that year Mexican border tourism earned USD\$ 2.4 million, a figure which represented around 25 percent of the USD\$ 9.5 million the country gained from this activity (Secretaría de Turismo, n/d, DataTur). As it can be seen border tourism is especially important in terms of arrivals and it would be an error of judgment not to pay attention to its economic effect. Appendix 1 indicates, as a case in point, that deficit has been a structural feature of the Mexican border tourism balance. Embracing commerce, amusement, gambling, and sightseeing the ramifications of border tourism have become the topic of study of scholars like Bringas (1991) and Messmacher (1990).

Due to new global trends affecting leisure, both local and foreign travellers have engaged, although moderately, in ecotourism and cultural tourism. The Mexican authorities have responded to these changes in demand and have been promoting ecotourist routes such as that of the Mar de Cortés in Baja California, Barrancas del Cobre in the state of Chihuahua, and Mundo Maya in the south. Additionally, the

Secretariat of Tourism has animated interior cultural tourism by developing circuits such as that of Corazón de México and Ciudades Coloniales (Secretaría de Turismo, 2000: 50). In like manner, in 2001 the Secretariat of Tourism and the National Council of Arts and Culture (Consejo Nacional para la Cultura y las Artes – CONACULTA) subscribed an agreement by which the two institutions aim to support cultural tourism. Actually, the latter set up the Coordination of Cultural Heritage and Tourism, and in that same year the first Seminar on Cultural Heritage and Tourism was held in the City of Tlaxcala (Conaculta, 2002). Nonetheless, in spite of this course of government action, it can be affirmed that coastal tourism still constitutes a major segment of the country's leisure industry. It has been estimated that international ecotourists brought in US\$ 51.2 million in 2000, a figure which represented 0.62 percent of the total tourist income in that year (Secretaría de Turismo, 2001a: 3). Van den Berghe has calculated that at most 10 percent of Mexican tourism, both domestic and international, could be described as cultural and ethnic, whereas the remaining 90 percent are of the sun, sand and sea type (van den Berghe, 1995: 568). The Secretariat of Tourism estimated that 8.5 million local travelers and 594 thousand international visitors engaged in cultural tourism as their main leisure activity in 2001. Taking into account that the number of domestic tourists was 150 million and that of foreign tourists was 19.8 million, then domestic and international cultural tourism represented 5.5 percent and 2.9 percent respectively (Secretaría de Turismo, 2002: 40, 42).

The picture of tourism in Mexico is not complete if large urban centers such as Mexico City and other cities are left aside. The former, which has played a dominant role in the political, economic, social and cultural life of the country, has also had a prominent position in the national tourist landscape. The leadership of the largest Mexican city in

the tourist scene, however, has not always been secured. In fact, beach resorts such as Cancun have captured an increasing number of international visitors. With the only exception of 1995 when Mexico City and Cancun received a similar number of foreign tourists (around 1.7 million), between 1989 and 2000 the Caribbean beach resort attracted more travellers than the capital city of the country (see appendix 2). The latter, however, has begun to regain its position as the most visited site by foreign tourists. In 2003, Mexico City accommodated 2.6 million visitors whereas Cancun took in 2.1 million travellers (Secretaría de Turismo, 1990, 2002; Secretaria de Turismo, n/d, DataTur). Nonetheless, as appendix 3 demonstrates, locations offering the sand, sea and sun product continue to be the main tourist destination for international visitors, although closely followed by the cities and, in particular, Mexico City. Summing-up, despite the fact that the Mexican leisure industry is comprised of border, urban and other forms of tourism, in this thesis the evolution of the beach holiday centres is examined as a manner through which state action and politics in Mexico are disentangled.

Conclusion

In this chapter I have pointed out that tourism has not been regarded as a serious topic of study for politics, even though it has important effects on the economy and social fabric of many countries and localities around the world. Although social sciences have not ignored tourism as a field of study, their approach has been patchy. As was shown, disciplines such as anthropology, sociology and psychology have constructed distinct assumptions about the tourist phenomenon. In spite of this eclectic definition of tourism, some conceptualization of its political nature is also required in order to

decipher its complex character. In doing so, tourism is not solely apprehended by looking at those issues such as cultural exchange, consumption, and behavior. In other words, to the valuable contributions to the study of tourism made by disciplines such as psychology, sociology, economics and anthropology, the insights gained by social sciences about the tourist phenomenon should be enhanced by the theoretical inputs of political science.

The relationship between tourism and politics has become clearer when, after World War II, official pronouncements laid great stress on the economic benefits of international travel. Since then tourism has been depicted, not exclusively but to a great extent, as a developmental avenue for Third World countries. By taking such an attribute, tourism has been transformed into a bone of contention given the distributional struggles which ignite the way in which resources and values are allocated among different actors. Since the aftermath of the Second World War, it has become evident that tourism is entangled in broader international networks of capital and power. These forces together with the interests of those local agents who stand either as losers or winners as a consequence of tourism expansion, influence, at the same time, the development of this economic activity. In essence, tourism should be seen not solely as a phenomenon by which images, symbols and values are displayed and consumed, but as another framework of power, that is, politics. Finally, Mexican tourism shows that this activity can be divided in border, ethnic, urban and beach segments.

In the next chapter I look at the way tourism has evolved as an international industry by which the tourist locations in the Third World are linked to the wealth of nationals from the First World. By looking at this unequal relationship in the world tourism economy, some features of tourism development in the Third World are highlighted, and a political aspect of the politics of tourism is disentangled.

Chapter IV

Tourism in Developing Countries

Introduction

In this chapter I look at the social and political implications brought about by the promotion of international tourism as a developmental avenue in the developing world. By doing this, some major features of the evolution of tourism in the Third World are highlighted. Tourism development in the developing world has largely been characterized by its enclave structure and, in consequence, it has been called a new form of imperialism and portrayed as another kind of dependency. Nonetheless, governmental discourse in the Third World has depicted tourism as a means by which the ills of hunger, poverty and underdevelopment can be alleviated. In a national scale, for example, tourism has become a significant earner of hard currency, and an important generator of jobs. But in addition to the developmental attributes of tourism, the promotion of this economic activity has had different impacts on the structure and ways of life of host societies. For instance, tourism not only alters the physical landscape and environment of host destinations, but set in motion processes of change affecting culture, work structure, social values, gender roles, and relations of power in resort areas.

Backed by the financial muscle of international institutions such as the World Bank, and by the guiding role provided by nation states, political leaders in the Third World began to promote tourism in the 1960s. By embarking on such a developmental enterprise,

state elites in less developed nations have made of tourism a bone of contention over which different competing political constituencies have appeared.

Context

Since the 1960s, Third World countries have embarked on the development of tourism in order to attract foreign exchange, generate employment, increase tax revenue, and ameliorate regional imbalances. Most less developed nations have supported tourism not only because of the demand generated in more wealthy societies, but due to the decline of primary export prices in the world market. Traditional export products such as sugar, coffee, and bananas have constituted the backbone of the economy of many developing countries.

In government rhetoric and for advocates of tourism development in the Third World, this economic activity generates wealth due to its multiplier effects in the local and national economy. It has been argued, for example, that earnings from tourism have a direct impact on various business establishments (such as hotels, shops, restaurants, bars, transportation, sports), and an indirect effect by the trading which takes place between various sectors of the economy as a consequence of the initial export receipts (for example, wholesalers and retailers supplying goods and services to those establishments which received the initial export earnings) (Archer, 1995: 922). For those who support tourism, this economic activity has other positive features. It has been assumed, for instance, that tourism is not a capital intensive industry, and in consequence there is no need to invest large amounts of money. In fact, it has been presumed that the technological and human resource requirements of tourism are in

general much lower, and more easily accessible, than manufacturing and extractive industry (Hitchcock, et al., 1993: 17).

For Third World governments tourism has been an attractive strategy because it has been contended that the industry possess a labour-intensive nature. This characteristic of the industry is particularly appealing given the large number of unemployed people who live in less developed nations. Support for tourism is also based on the expectation that tourism can generate regional development, especially in deprived areas which have few competitive advantages except those like a sunny climate, sandy beaches, and an exotic culture. In summary, Third World countries have looked upon tourism as a means by which many of their economic troubles, exacerbated by mounting debts and the demands of a society in need, can be ameliorated. In various cases, after all, tourism has become the most important source of foreign exchange, surpassing and replacing those agricultural exports such as sugar, coffee and bananas.

Tourism and Development Agencies

A set of factors led to the development of tourism on an international scale in the 1960s. The most important of these were the growing affluence of First World middle and working classes, improvements in the means of transport such as the jumbo jet, and the new products of the travel and tourist industry such as charter flights and tour packages. Less developed nations followed countries such as Spain which were benefiting from the boom of mass tourism, and sought to attract the dollars that could help to finance their deficits by building resorts on their sunny coasts. All the changes that produced the boom of mass tourism after World War II, however, took place and were generated

outside the borders of Third World countries. In other words, developing nations responded to exogenous events over which they have not had control. These peripheral societies have accommodated themselves in a tourism world market by supplying the resorts, landscapes, and cultures that matched the demand generated in North America, and Northern European countries. Indeed, up to 80 per cent of all international travel is undertaken by the citizens of just twenty countries, and more than 50 percent of all international travel expenditure is made by US, British, French, German and Japanese tourists (Gayle & Goodrich, 1993: 2). Despite the dominant role played by Northern nations in international tourism, developing countries' share of foreign arrivals rose from 19.6% in 1980 to 23.1% in 1990 (Brohman, 1996: 52).

Independently of the role that market forces have played in the emergence and boom of mass tourism, the developmental feature of tourism in the Third World is also explained by the action of international agencies. In 1963 the United Nations solemnly declared that "tourism may contribute, and actually does contribute vitally to the economic growth of developing countries" (quoted in Lanfant, 1980: 15). Four years later the United Nations declared 1967 the Year of the Tourist. Thereafter international organizations such as the World Bank, the United Nations Development Program (UNDP), and the Inter-American Development Bank have facilitated the development of this economic activity. Honey states that "between 1969 and 1979, the World Bank's Tourism Projects Department pushed developing countries to invest in conventional tourism as a strategy for encouraging foreign investment and earning foreign exchange..." (Honey, 1999: 15). Through the Lomé Convention European nations have backed Third World countries' support for tourism. Although in the earlier versions of Lomé dating from 1975 tourism was barely noted, the sector has received greater

attention since the third protocol (1986-1990) when financial backing was provided. Lee notes that while Lomé III (1986-1990) provided ECU 8.5 billion, Lomé Convention IV (1990-1995) provided a total of ECU 12 billion for development cooperation of all kinds (Lee, 1993: 197).

An island in the Caribbean, the Dominican Republic, initiated the development of its tourist industry in the late 1960s. During that decade and with the advice of the United Nations Development Program, and funds from the World Bank, this country built an integrated tourist centre in Puerto Plata (Schlüter, 1994: 249). The promotion of tourism in the Philippines began in 1973 with the launch of a massive hotel building programme financed mainly by the World Bank (McEvoy, 1993: 72). More recently, the Dominican Republic's 1991-1995 tourism development plan was sponsored by an IDB (Inter-American Development Bank) grant (Gayle & Goodrich, 1993: 3). The UNDP provided technical assistance for the preparation of tourism development plans for nations such as Belize and Cyprus, and the World Bank through its soft loan subsidiary, the International Development Association, financed the construction of more than twenty hotel projects around the Third World (Ioannides, 1995: 237). In the 1970s the World Bank became the major source of finance for tourism-related projects. According to Honey, it loaned about \$450 million directly to governments for twenty-four tourism projects in eighteen developing countries (Honey, 1999: 15). The total amount of these projects was \$1.5 billion, and the money was invested in building resorts complexes along the Black Sea, Tunisia, Thailand, Mexico, and the Caribbean. Honey notes, however, that another \$250 million in loans and credits for airport projects were offered by the Bank (Ibid: 29). The closure of Exxon's refinery in Aruba and the likely collapse

of the island's economy due to such an event, led the Dutch government and the IMF to urge on Aruba the expansion of its tourist sector (Gayle & Goodrich, 1993: 3)

State and Tourism

A major feature of tourist development in less developed nations has been the dominant role played by the state in the expansion of this economic activity. In the absence of a strong private sector with enough capital to invest in the industry and its infrastructure, or because of the neglect of the private sector to invest in the initial stage of tourism, the state has become the main investor and promoter of this economic activity. This entrepreneurial characteristic of the state is in sharp contrast to the function of the state in developed societies. Quite often the participation of the state in tourism in these societies assumes an indirect approach through, for example, the provision of the right to holidays. Leisure and free time are basic and statutory rights for such affluent societies that even disadvantaged groups are provided with the means of taking a holiday. The action of both governments and trade unions is aimed to improve access to leisure and tourism, that is, the so-called social tourism. Although in first world countries such as France central authorities have partly funded leisure centers and created holiday villages and camp sites, most governments in developed nations "have steered away from direct involvement in social tourism programmes..." and "...they have, in contrast, been more likely to involve themselves in some type of general leisure policy" (Shaw & Williams, 1994: 63). George and Clark note that "national policies on tourism in developing countries... are usually the domain of the state, whereas in more developed countries, private entrepreneurs often dominate policy formation and enactment" (George & Clark, 1998: 207).

Quite often the function of the state in the tourism sector is reduced to that of arbiter between competing interests, although such a neutral task also advances other aims. For instance, Britton notes that the role of the state is to provide the forums where industry associations and representatives can meet to overcome their differences, to market the region or nation as a destination, and to offer incentives in order to attract domestic or international investors, despite the fact that “a mixture of public economic and welfare goals will lie behind such intervention” (Britton, 1991: 458). Zhang argues that in developing countries, active government involvement has been crucial for the formulation of a series of actions (to promote tourism) that industry players would have not been able to formulate or undertake (Zhang & King Chong, 1999: 483). But the interventionist character of the state in Third World tourism is not only explained by its financial capability, but as a consequence of the different aims of both public and private actors. As George and Clark point out, “the aims of the private sector, more often than not, oppose those of the public sector. Private sector investment criteria hinge upon profitability. The state, on the other hand, must take into account non-economic ramifications as well” (George & Clark, 1998: 207).

When embarking on tourism, the state does not only foster the private sector’s pursuit of profit, but it also attempts to achieve other social gains. According to Araujo and Bramwell, the Brazilian project Costa Dourada was conceived by the federal government as a way to encourage the region’s socioeconomic development through the improvement of tourism-related infrastructure such as roads, sewage systems, waste disposal, telecommunications, water supply, and electricity (Araujo & Bramwell, 2002: 1144-1145). But in order to foster tourism and its developmental effects, governments

in the Third World have to create the required institutional building capacity through which resources are channeled, actions are coordinated, and policies are implemented. According to Levy and Lerch, in the 1970s the Barbadian government supported growth in tourism by investing in roads, airports, and hotels and by creating agencies such as the Barbados Tourist Board, the Ministry of Tourism, and a hotel school to train workers (Levy & Lerch, 1991: 69). Freitag notes that the Dominican government initiated the promotion of tourism in 1967 by creating a special Ministry of Tourism that not only dealt with the industry's development, but aimed to provide a framework for raising the standard of living of the local population and increasing the nation's revenue (Freitag, 1996: 230).

Tourism as a government-led strategy for promoting development has been included in national plans elsewhere in the Third World. And by becoming part of the developmental discourse of national and regional plans, tourism is another rationalized economic activity for noble purposes under the aegis of the state. As Rothstein argues, "planning and plans have become a symbol of intent to move forward, and to achieve a national future" (Rothstein, 1976: 697). Within a framework which conceives tourism as an engine for modernization and a contributor to economic development, Indonesia's strategic national and regional five-year-plans (REPELITA) emphasize the construction of integrated resorts as a policy for tourism expansion (Dahles, 1998: 76). Equally, Richter points out that although tourism was already an internal component of the Third National Social Development Plan (1972-1976) of the Thai government, it emerged as a major economic priority in the ambitious Fifth Plan (1982-1986) (Richter, 1989: 87). In short, the developmental character of this economic activity is a consequence of the backing and interventionist role played by the state. But by taking such an active

function, the state has shaped the emergence of the mass tourist industry in the Third World. In other words, tourism development in less developed countries does not only respond to market forces, but it is also the product of the action of a political entity (the state) which has interests of its own. In summary, state activism in the expansion of tourism in the developing world is the result of the lack of dynamism of a business class, incapable of initiating such a major economic and social enterprise. Consequently, tourism in the Third World evolves, not exclusively but decisively, along the lines and goals set by state officials entrusted with decision-making. In this context, politics acquires a salient role in the evolution of tourism in less developed nations, and conditions the behavior of the social actors participating in this economic activity.

Tourism and Modernization

Aided by the political and financial muscle of international and developmental agencies. Third World countries from the 1960s onwards started to regard tourism as a path to modernity. Development, social differentiation and urbanization could be achieved not only through industrialization, but by the promotion of tourism. Tourism, as other productive activities of the world capitalist system, incorporates regions and communities into an international market by means of an increase in the cash economy, commoditization and capitalist social relationships. Pattullo notes that in the Caribbean, for example, the coming of tourism has set in motion profound changes in the organization and social structure of host communities. In his words, "peasant economies have been molded into service sectors where cane-cutters become bellshops and fishermen are turned into watersport officers" (Pattullo, 1996: 53). In the Pacific, Foster states, the money brought by tourists has given a monetary valuation to more aspects of

behavior of the host communities, at the same time as the shift in the labor force has entailed a movement of workers from primary to tertiary occupations (Foster, 1964: 221, 223). Wilkinson and Pratiwi point out that in Pangandaran, Indonesia, where there is a mix of Sundanese, Javanese, metropolitan, and foreign culture which is increasingly being driven by tourism, social stratification is now economically-based (Wilkinson & Pratiwi, 1995: 290). In other words, transformation occurs in host societies due to the modernizing invasion posed by tourism.

From a modernization standpoint tourism and its associated capitalist organization is seen as a transforming agent. It is a form of intrusion by more advanced societies into the fabric of less developed societies. Such external intrusion, in Rostow's words, "shocked the traditional society and began or hastened its undoing" (Rostow, 2000: 102). For de Kadt, tourism is but one of several modernizing influences... "that significantly affect the attitudes and values of people in all societies" (de Kadt, 1979: 13). Tourism influx in the Third World can dislocate rural and coastal communities. Quite similar to the migratory process by which people from the countryside flock to the cities in search of a job in a factory, young people from rural and coastal areas move to the resorts attracted by the jobs and western style and consumer goods that tourism usually brings with it. As Harrison has pointed out, "as a key feature of modernization in many less developed countries, tourism brings about a radical transformation in the economic and political life of receiving societies" (Harrison, 1994: 245).

Tourism and Development

Tourism not only creates new roles and organizational complexity in the host society, but it has also been regarded as a means by which rapid economic growth can be achieved based on the comparative advantages of Third World countries (Brohman, 1996: 49). In fact, during the early postwar period... “influential development theorists and policymakers contended that global trade, especially for primary commodities, was too erratic to form the principal engine of growth for Third World economies” (Ibid: 49). In consequence, peripheral nations pursued tourism-based development strategies assuming that this activity would bring the necessary resources for ensuring economic and political freedom. Hence, for some developing countries tourism was not solely a means to raise the living standards of their people, but a medium to get independence. In Apter’s words, “...economic factors will most frequently come to serve political and social needs” (Apter, 1987: 104). Or as Rostow has put, “...the idea spreads not merely that economic progress is possible, but that economic progress is a necessary condition for some other purpose...” (Rostow, 2000; 102). In other words, either tourism is equated with economic growth, or it is seen as an instrument for achieving wider aims.

Tourism came to be seen by less developed nations as another way to catch up with more affluent societies. It was assumed that by embarking on tourism a sort of unilinear change had to occur. As Oppermann argues, based on an Euro-American point of view, there was that kind of notion which “implies that the less developed countries are in an earlier phase of the development process, but will eventually repeat the Euro-American development experience” (Oppermann, 1993: 536). After World War II, for instance, Latin American nations realized the extent to which tourism had contributed to the fast

recovery of the devastated European economies. Schlüter states that the expansion of the large American hotel chains and the growth and progress brought by the tourist boom in Spain¹, encouraged various Latin American countries “to incorporate tourism either as an economic alternative to achieve growth or as a supplementary aspect of the main economic activity” (Schlüter, 1994: 247).

In summary, tourism has been viewed by many Third World countries as an agent of change, and international agencies such as the World Tourism Organisation and the World Bank have endorsed the desirability of economic development of these nations. According to Honey, it was in 1977 that tourism was incorporated into the New International Economic Order Doctrine as a means to redistribute wealth from rich nations to poor (Honey, 1999: 15). Within this framework it is assumed that tourism brings development by the trickle down effect produced by the building of large hotels or resort areas which then benefit the overall economy (Meethan, 2001: 44). From this viewpoint even the development of modern infrastructure such as airports, roads and so on, will benefit the economy as a whole because these facilities are not only used by tourists but by the local population as well. In the end, the economic compelling need represented by the lack of foreign exchange, high unemployment, the spatial concentration of underdevelopment in rural or coastal sites, and the leadership’s aspiration of moving their countries to another status, have pushed the Third World to embark on tourism.

¹ Tourism has experienced largely uninterrupted growth in Spain and, by the late 1980s, comprised around 10 percent of GDP. It has added considerably to foreign exchange reserves, and has above all been decisive in employment creation, accounting for some 11 percent of the economically active (Valenzuela, 1988: 40-41).

I. Foreign Exchange

Tourism development in the Third World has largely been driven by economic concerns. The decline of primary export prices in the international market and the consequent shortage of hard currency, and high rates of unemployment are some of the main economic factors pushing developing nations to promote tourism. For some of these countries, especially small island states, the leisure sector constitutes the backbone of their economic structure. For other nations, tourism alleviates unemployment and generates hard currency, although the activity's overall contribution to the national economy is not excessively important. Examples can be found in the Caribbean, South-East Asia, Latin America and Africa, and range from small island states to large continental nations.

For Barbados the sugar industry was the major employer of the population until independence from the UK in 1966. But with the decline in demand and price of this primary product, and due to government's failure to attract and keep new industry, government and economic planners have encouraged tourism since the 1960s in order to increase foreign earnings, employment, and domestic income. By the second half of the 1980s tourism accounted for over 60 percent of the island's foreign exchange (Levy & Lerch, 1991: 68-69). The Dominican Republic, a country which in the early 1990s was ranked the eighth highest recipient of food aid in all of Latin America, began to promote tourism as a way of diversifying the economy. Since 1982 tourism had become the largest foreign exchange earner surpassing agriculture (Freitag, 1994: 542). According to Simon, tourism provides 70 per cent of the foreign exchange earned by the Bahamas and the British Virgin Islands (Simon, 1995: 28). And it was estimated that direct and

indirect tourism earnings together accounted for as much as 84.9 per cent of the Bermudian GDP in 1988 (Ioannides, 1995: 238). In Jamaica, the principal agriculture export is sugar, and the bauxite-alumina sector was the major foreign-exchange earner between 1960 and 1985. Since 1985, however, tourism has contributed more foreign exchange to the Jamaican economy each year than any other domestic sector (Gayle, 1993: 41, 43). In Costa Rica, a Central American country which is famous around the world as an ecological and small scale tourist destination, tourism is the single most important foreign exchange earner (Mowforth & Munt, 1998: 255). Hard currency generated by tourism has surpassed that earned by traditional export products such as coffee and bananas (Campbell, 1999: 535).

In South East Asia tourism has grown considerably and nations such as Thailand, which is one of the most popular destinations in the Far-East, has made of tourism the leading source of foreign exchange. According to Richter, the so-called smokeless industry surpassed rice as the first earner of hard currency in 1982 (Richter, 1989: 231). In the Philippines tourism is the second largest industry (Hitchcock, et al., 1993: 1), and one of the top three dollar earners (McEvoy, 1993: 72). In Singapore, which is a highly export-oriented country, tourism is the third largest earner of foreign currency since 1985 (Khan, et al., 1990: 409). For the Egyptian economy tourism has moved from a modest contributor to foreign exchange of about US\$ 700 million in 1986 to an important one that reached \$ 2.6 billion in 1995. The industry is now in second place after workers remittances, but ahead of Suez Canal revenues from oil exports (Wahab, 1997: 138). Since 1987, receipts from tourism have become the largest source of earnings in Kenya, exceeding receipts from coffee and tea, traditionally the country's main sources of

export earnings. The sector contributes 11 percent to the GDP of Kenya, whereas in Namibia tourism generates about 6 percent of the GDP (Sindiga, 1999: 23).

As was noted, tourism has been a useful tool for gaining foreign exchange when the value of Third World traditional export commodities has declined in the international market. The expansion of tourism in Malaysia happened when international earnings from such commodities as tin and rubber have been depressed. In Indonesia tourism helped to compensate for the fall of revenues from petroleum in the 1980s (Hitchcock, et al., 1993: 16). The biggest island in the Caribbean, Cuba, has embarked on tourism mainly because of its desperate need of foreign exchange, once the former USSR collapsed and new rules for trade agreements meant that all exchange was to be in hard convertible currency (Bleasdale & Tapsell, 1995: 102). But Cuba has also promoted tourism as a way of achieving economic diversification. According to Simon, Cuba has been unique in its dependence on sugar and its low capacity to develop nontraditional exports. He notes that in 1990 over 75 percent of Cuban exports came from sugar, while nontraditional goods (mainly citrus, fishing and medical products) only accounted for 13 % of total; in 1994, sugar still accounted for over 50% of GDP (Simon, 1995: 27-28). Espino argues that although international tourism is a major component of the Cuban economic adjustment program, the *Período Especial en Tiempos de Paz* (Special Period in Peacetime), its overall economic impact is still small, “the primary benefit that Cuba derives from tourism is that it generates hard currency” (Espino, 1993: 49). The People’s Republic of China announced the beginning of tourism at the eleventh Congress of the Central Committee of the Communist Party that took place in 1978. It was stated that tourism would accumulate funds for the splendid plan of Four Modernizations (Richter, 1989: 2-3).

II. Employment

If it is true that many of the jobs created by tourism are of a menial and seasonal character and for the unskilled, there is no doubt that one of the most visible impacts of the industry is its capability to generate employment. The great potential of the tourism industry for generating jobs is because this economic activity provides a labour-intensive service at the point of contact with the customer. Moreover, as Shaw and Williams note, “compared to manufacturing, the possibilities for substituting capital for labour in the production of services is fairly limited” (Shaw & Williams, 1994: 143). This feature of tourism is regarded as very valuable by Third World governments given the high rate of unemployment in their nations, and because those people out of work have low levels of education and training. Thus, tourism as an employment generating industry suits the economic and social conditions of many developing countries. In fact, tourism employs less specialized people than do other industries. So, as Poirier argues, it is possible to absorb a large proportion of the workforce from traditional sectors of the economy with a minimum of training (Poirier, 1995: 165). Consequently, it is not surprising to realize why state elites in less developed nations embraced this economic activity that, during the 1960s and 1970s, was portrayed by developmental agencies and world lending institutions as a smokeless industry with secondary effects in other sectors of the economy, and an employment generating industry given its service-intensive nature.

Bermuda has a unique political, social and economic environment which, alongside a series of policy decisions taken from the 1930s onwards, has made of this island in the

Caribbean one of the world's leading centers of offshore companies. International financial and business activity contributes to the economy of this country by generating 45% of measurable exports, over 46% of the public sector revenue, and 37% of the jobs created by export activities. Despite the prosperity brought by the financial sector, "it is still the tourism industry which supports the majority of employment in Bermuda". In 1992, international tourism generated 42% of measurable export earnings, over 42% of the public sector revenue, and over 56% of the jobs ascribable to export activities (Archer, 1995: 925-926, 928).

It has been estimated that by 1990 tourism employment in Barbados ranged from 10 percent to 20 percent of the work force, whereas in 1970 the figure was 2 percent (Levy & Lerch, 1991: 69). In the Dominican Republic tourism has become the second largest source of employment exceeded only by agriculture which represents approximately 22% of the national labor force (Freitag, 1996: 231). In the Kingdom of Thailand, tourism accounts for nearly 5% of GDP, and about 11.5% of the workforce is employed in the service sector (Esichaikul & Baum, 1998: 360). In Cyprus, tourism is the leading economic sector on the island, accounting for more than 10 percent of the GNP and employing approximately one fifth of the labor force (Ioannides, 1995: 238). Although offshore banking is an important sector of the Bahamian economy, tourism is the leading economic activity. In 1995 it generated 50% of total GDP, produced 70% of the government's tax revenue, and employed 40% of the total workforce (Edwards, 1998: 2).

It is reported that in Negril, Jamaica, tourism has given people access to income that traditional farming and fishing could never have provided (Olsen, 1997: 285).

According to Xu, in those Chinese regions such as Guilin, Suzhou and Beidaihe, “job-taking and job-shift activities induced by tourism... have opened up certain chances of upward mobility for part of their local inhabitants” (Xu, 1999: 203). Foster has pointed out that even the unskilled work brought by tourism may gradually acquire a professional or semiprofessional aura (Foster, 1964: 223). This is not to say that workers in the tourist sector, especially those who are at the bottom of the ladder, do not complain about low wages, and scant security, but as Pattullo says in the case of the Caribbean: “Yet for both men and women, any sort of paid employment offers a certain status, an opportunity for a guaranteed income, however small, which is not subject to the sun, rain or a fickle market” (Pattullo, 1996: 54-55). Moreover, it can be the case that in less developed societies wages in tourism businesses such as restaurants and hotels can be as high as, often higher than, those available in other sectors, especially agriculture (de Kadt, 1979: 11).

Although there is a long debate about whether the jobs generated by tourism are suitable for those people without education and training, in regions of the Third World distinguished by high rates of unemployment, “any job, even though low paid, seasonal, unskilled and with few prospects, might seem welcome” (Pattullo, 1996: 52). Political leaders in the Third World find the tourist industry attractive when taking into account that a medium –category size hotel in a developed nation employs one person per five beds, whereas in their countries, due to cheap labour, the ratio is more likely to be one employee per bed (Shaw & Williams, 1994: 144). In Maharashtra, India, it is estimated that each direct employment in the leisure sector will create an employment for another nine persons indirectly (Chakravarty, 1999: 134). Poirier notes that in Tunisia, tourism has been providing jobs in a society where unemployment is a serious problem (Poirier,

1995: 163-164). Although there are differences in wealth, economic growth rates and political organization between various Caribbean nations, it can be argued that demand for education and employment is a common pressure to many governments in the region. National authorities not only in the Caribbean but almost everywhere in the Third World have to respond to pressures from impoverished populations suffering the consequences of stabilization and structural adjustment programs, and to external factors affecting the national economy such as balance-of-trade deficits, and debt payments. It has been argued that the Tunisian government started to promote tourism as a leading export agency since the 1970s, due to job creation priorities, declining oil production, rising debt servicing, and structural adjustment requirements (1995: 163).

In 1990, the Secretary-General of the Caribbean Tourism Organization, Jean Holder, stated that employment in tourism is “the difference between social order and social chaos” (Pattullo, 1996: 52). It is in this context that tourism development in the Third World has to be understood and judged. It is in this social background of endless demands, severe budgetary and political constraints that decisions made by national and local authorities regarding tourism development have to be assessed. In other words, Third World governments’ decision to embark on tourism as a job generating industry has to be seen through the lenses of policymakers confronted under the stress of hard choices. As Richter argues, these circumstances make policy-making characteristically crisis-driven or the outcome of shared poverty. In her words, “policy is described, then, as something one must make decisions about” (Richter, 1989: 13-14). But decisions affecting tourism in less developed countries are not that different from those related to other economic activities. Policy-making and planning in developing nations are the responsibility of governments that, as Rothstein has pointed out, “could not think

beyond tomorrow". He argues that leaders in the developing world are more concerned with... "responding to events as they arose, not following a blueprint into the future" (Rothstein, 1976: 696-697). This major feature of policy-making in less developed nations is clearly exemplified by the Guyana's involvement in tourism. In Brotherson's words, "...the government is so much in need of foreign currency that it is prepared to try any project or scheme, including tourism, in desperation, without thinking through the sociopolitical and other implications of what is required" (Brotherson, 1993: 94).

Tourism and Gender

Tourism employment in the Third World has had a direct impact on young people and women. The involvement of young people and women in the tourist sector as wage earners has produced changes in the traditional structure of the family, and in the roles and identity of gender. Young people have been lured by the life style of tourists and the jobs offered by the leisure industry, and have left the rural areas. De Kadt noted that youths in Malta have experienced considerable social mobility as a direct result of tourism (de Kadt, 1979: 43). By gaining employment in both the formal and informal tourist sector, young men in Kenya have changed the power structure of their families (Peake, 1989). Although the effects brought by tourism vary in magnitude and nature depending on the specific host country or area, young people are especially vulnerable to some of the most common negative social and cultural impacts associated with the leisure industry. Some of these social ills such as the abandoning of the local culture, crime, immoral behaviour, drug addictions, and openness to sex, have been reported in Fiji (King, et al., 1993) and the Bahamas (Edwards, 1998). Women constitute another group which has been affected both positively and negatively by tourism. Again, the

extent and type of effect experienced by women depends on the physical area, and the social and cultural fabric of the host society. In spite of this, some generalizations about the main impacts of tourism on women can be illustrated

Women's position in society and gender identity have been altered as a consequence of female participation in tourism as wage earners or travellers. One of the outcomes of the development of the tourist industry in the Third World has been the creation of such jobs as hotel maids and receptionists which have been mainly taken by women. In spite of this job stereotyping, it has been argued that by becoming wage earners in the tourist industry, women have acquired greater independence for negotiating their role in society. Or as Wilkinson and Pratiwi point out in the case of female employment in an Indonesian village, "wives in lower-class families can now earn more income so that they can have more control over the family's economic decisions" (Wilkinson & Pratiwi, 1995: 294). De Kadt has pointed out that by working in the tourist industry women in places such as the Seychelles, Cyprus and Malta have been able to set up their own households and to have a less restricted life apart from their traditional housebound existence (de Kadt, 1979: 44). Although the jobs available to women in the tourist industry are generally low paid and an extension of the traditional work done at home, Levy and Lerch argue that tourist employment offers advantages over traditional agricultural or domestic work (Levy & Lerch, 1991: 82). In the Caribbean island of Barbados where women beach vendors are older than their male counterparts, this informal job has given them some flexibility for carrying out the dual role of workers in and outside home. In spite of disadvantaged job positions vis a vis men, women workers in the tourism sector such as informal vendors are able to, at least, earn some income (Momsen, 1994: 112). Moreover, in spite of the menial character of most of the

employment generated by tourism, being a chambermaid in hotel means a better wage and regular hours (Levy & Lerch, 1991: 78). It has also been noted that the safeguard of women's rights and resources by customary norms in Western Samoa have allowed women to develop their entrepreneurial skills by taking advantage of the opportunities available in the tourist industry (Fairbairn-Dunlop, 1994: 122).

Certainly one of the worst effects associated with tourism in the developing world is that of female prostitution. Countries such as Thailand and the Philippines are well known locations visited by male tourists from western countries, including Japan. Female prostitution in South-East Asia is not solely the outcome of tourism, but another expression of the patriarchal structure and social inequality of some of the host societies in a region where women are in a subordinate position to men and excluded from political power. Enloe argues that "to succeed, sex tourism requires Third World women to be economically desperate enough to enter prostitution" (Enloe, 1989: 36). This same scholar notes that in Bangkok a woman working in a massage parlor can earn an average of 5,000 baht per month, whereas women working in non-entertainment and formal jobs earn 840 baht per month approximately (Ibid). Female prostitution in Havana in the 1930s was a major exploitative phenomenon which was put to an end by the 1959 revolution. However, as Momsen notes, economic restructuring in the Island has recently led to women again being forced to become prostitutes (Momsen, 1994: 116).

Asian women have been portrayed in the magazines and newspapers as part of the tourist experience to be consumed when male tourists go away from home. Not only the industry but governments have exploited women's bodies as well. It has been reported

that until the end of the 1980s the Thai government placed great emphasis on sex tourism as a means to earn foreign exchange (Hall, 1994: 155). It was estimated that there were one million prostitutes in Thailand in the 1980s (Richter, 1989: 86). As in the case of Thailand, the promotion of Filipino women was used to sell the country. In spite of the employment provided by the manufacturing for export industry since the early 1970s, women in the Philippines have worked in massage parlours, bars, and clubs which nowadays cater for male tourists, but that previously entertained US military personnel stationed at Subic Naval Base and Clark Air Force Base. By studying the involvement of Filipino women in the rest and recreation industry, McEvoy argues that informal work in sex tourism places women into social and economic dependence (McEvoy, 1993) and reflects both sexual division of labour and traditional gender identities. In summary, the tourist industry and bureaucratic agencies promoting this economic activity depend on ideas about femininity, masculinity and heterosexuality in both sending and receiving societies to sustain a sector that reflects power inequalities between sexes. In Enloes' words, "the very structure of international tourism needs patriarchy to survive" (Enloe, 1989: 41).

Men have not been the only ones who have gone to Third World destinations in search of sex. Poverty and cultural factors have also been major factors leading males in less developed nations to enter prostitution. Fantasies and racial stereotypes of both foreign and local actors play a crucial role. On one hand host male hustlers are portrayed as noble savages and hypersexual, whereas in the local male cultural framework getting involved with a woman who is foreign, light skin and has Caucasian facial features is highly valued. Male prostitution and tourism has been reported in Caribbean countries such as Jamaica, the Dominican Republic and Cuba. In these nations social deprivation

and both local male and foreign female identity have found in tourism an area through which economic, power and cultural differences are reflected. Generally speaking, at least in the Caribbean context, the main actors involved are western white female tourists and poor black men. Sanchez Taylor argues that female sex tourists reaffirm their sense of womanliness and racial identity by being sexually desired by men, usually the Caribbean beach boys who, as in the case of female prostitutes, “enter into sexual exchanges not through personal desire but in order to implicitly or explicitly to obtain money or goods” (Sanchez Taylor, 2000: 45). In summary, the phenomenon of female tourists travelling to Third World destinations seeking romance or sexual exploitation involves, as Pruitt and Lafont argue, “the inevitable issues of identity, connection, and power, compounded in this case by racial issues, cultural differences, and economic dependency” (Pruitt & LaFont, 1995: 435).

Development for Whom?

I. Expatriates and Leakages

Despite the fact that tourism generates foreign exchange, tax revenue and employment, the developmental contribution made by this economic activity has to be weighed against other impacts. As Khan has pointed out, “much of the debate has focused on whether tourism impacts are beneficial or detrimental, and whether they are developmental or antidevelopmental” (Khan, 1997: 988). In the case of the jobs generated by tourism, it has been stated that development can not be achieved by a workforce made of waiters, bellshops and chambermaids (Harrison, 1992: 19). And although some local people in places such as Jamaica (Pattullo, 1996) and Bahamas (Edwards, 1998) hold positive views about the employment created by tourism, many of

the managerial positions in the tourist industry of the Third World are occupied by expatriates, while semiskilled and unskilled level jobs are held by locals. Eastman notes that Kenya relies to a great extent on foreigners to provide skilled labor for the hotel industry (Eastman, 1995: 183). This feature of the tourist industry in many of the regions of the Third World, especially in island states with a historical legacy of slavery and colonial rule, has led local people to show feelings of animosity toward tourists and the industry. The luxury and enclave character of the various resorts developed in the Third World have strengthened the view among many local people that all tourists are wealthy and white, and that they (the waiters and chambermaids) are not only wage earners but perform a servile role in the leisure sector.

Given that most of the resorts which have evolved in less developed nations mainly cater for international tourists, and to some extent local elites, these leisure spaces entail all the facilities, infrastructure and comforts with which travelers are familiar. In other words, local resources and people have to adapt to the tastes and demands of international leisure people. But in the social context of the developing world, five star hotels produce a grotesque image. As Richter says, those hotels which have lobbies with waterfalls and massive pools require obscene amounts of power and water to run (Richter, 1989: 185). The luxury environment of the resorts and the free-spending behavior of the tourists, are a sharp contrast to the daily life of the host society where extreme poverty is still widespread (de Kadt, 1979: 14). Richter points out that during the Marcos' government in the Philippines, "malnutrition was on the rise but luxury imports of food and vehicles for the tourist industry were exempted from taxation" (Richter, 1989: 75). As Pattullo has stated, "however impoverished the living conditions of the local population, investors need modern, western style amenities to attract the

tourists” (Pattullo, 1996: 30). This form of tourism development does not only have implications in terms of social resentment towards an economic activity which makes clear the gap between rich and poor societies, but also in economic terms.

The productive structure of various Third World countries, especially island states, can not provide all the goods and services which the tourist industry requires. Consequently, these periphery nations have to import many of the products (i.e liquor, furniture, air conditioners, and building materials) and managerial skills that are demanded by the leisure sector. Leakages and remittance of profits to core nations have been two factors that question the nature of tourism as a self generating activity and a real contributor to the balance of payments of host regions. It has been estimated that Thailand spends on tourism 34.76% of its total income from the sector, because of the luxury type resort development that this country has promoted (Richter, 1989: 6). It has been calculated that leakages average 56% in Fiji, 45% for St Lucia, 43% for the Bahamas, 41% for Antigua, Aruba, and Hong Kong, and 29% for Singapore (Brohman, 1996: 55). The phenomenon is clearly exemplified by the Cuban case whereby the developmental character of the industry is questioned, and its dependent nature is highlighted. In de Holan’s words, Cuban hotels with large international clientele are under significant pressure to import diet beverages, low-calorie sweeteners and healthy low-fat products. The government is left in a position of allowing the imports and losing precious hard currency or denying them and reinforcing the image of Cuba as a low cost, low quality destination that does not meet international standards (de Holan, 1997: 789). Quite similar to the decisions made by the Cuban government, the People Republic of China has imported West German railway cars and Japanese tour buses for the use of

international visitors, thus suffering a reduction of foreign exchange holdings (Richter, 1989: 44).

Leakages are not only embodied by imported food and goods, the foreign ownership of many of the tourist businesses (hotels, restaurants) implies that profits do not remain in the destination but leave the host country. It is the case that local entrepreneurs in the Third World in places such as the Dominican Republic and in Southeast Asia (Freitag, 1994; Oppermann, 1993) own some of the tourist infrastructure; but generally speaking, “the more extensive and expensive facilities have often been taken over by transnational companies” (Harrison, 1992: 22-23). This process has mainly occurred in those tourist spaces of the developing world where integrated and enclave resorts have evolved. The great majority of these sites are located in coastal areas whose favoured resource has been the sun, sand, sea triad, but are not linked with other regions and sectors of the national economy. Consequently, as Jurzcek points out, a great percentage of the spending in peripheral regions is drawn away on a national level towards overseas and on a regional level towards the metropolises (Jurzcek in Oppermann, 1993: 539). Thus, repatriation of profits, dividends or wages, and in consequence low multiplier effects, are nothing else but the outcome of a tourist economic structure which has not developed linkages with other productive sectors of the host country. Although the amount of leakage varies from case to case, generally speaking those countries with a more diversified economy tend to retain more hard currency.

II. Foreign Ownership

Foreign ownership of tourist infrastructure such as hotels, restaurants, car rental agencies, and airlines is a twofold issue involving the factors of leakages and external control. In some parts of the Third World, especially in the Caribbean, the majority of tourists that go to this region are often from developed countries who book their holiday in a travel agency which usually belongs to a major tour operator that, at the same time, provides the air seat and hotel room. It would be a mistake to assume that there is no local economic participation in the tourist industry of developing nations, but “the monopolistic controls exerted by transnational corporations over the ownership and organizational structure of most countries’ mass tourism sectors” (Brohman, 1996: 54) is a topic to be taken into account when assessing the developmental nature of this economic activity. Certainly the picture becomes complex and contradictory given the fact that places such as Jamaica and Goa in India are characterized by having a good involvement of local entrepreneurship in their tourism sector. Actually, a further process of local ownership has occurred in the former Caribbean island. According to Pattullo, around 90 per cent of the island’s 12,000 or so hotel rooms are locally owned. But this author also states that in 1989 around 63 percent of the rooms in the Caribbean were owned by foreigners (Pattullo, 1996: 20-21). Wilson notes that most of the small scale hotels and guest houses, restaurants, and beach shacks in Goa are owned by Goans themselves, although the two large 5-star hotels are owned by Indian consortiums (Wilson, 1997: 65).

Whether the destination country has or has not a significant local entrepreneur group participating in the tourism industry, there are external factors which impinge on the

decisions made by the host country to control and run the course of its tourist sector. The vertical integration of the structure of the world tourist industry whereby foreign airlines own hotel chains and other related businesses implies that the organization, sourcing of tourists, international transportation and management of international tourism is done, to a great extent, from Western Europe and North America (Sindiga, 1999: 22). One of the most powerful tools exerted by multinational companies such as tour operators is their control of the marketing of overseas accommodation. Whereas accommodation for local tourists in less developed nations is offered by small-scale hotels, international travelers who have booked their trip by using a tour operator, tend to stay in large hotels which are either foreign owned or involved in some other form of contractual relationship with firms in industrialized countries (Sinclair, et al., 1992: 52) (Appendix 4 indicates the size of the major international hotel chains in the early 1990s).

Third World destinations have to bargain with tourist business organizations which have developed different strategies for their survival in a very competitive world market. Most of the changes which have occurred in the structure of the tourist industry have produced an increase in the scale of the economic power of some companies within this sector. Mergers and franchising, for example, have taken place as a way of securing market leadership and as a means of reducing direct capital requirements. For instance, Swissair has a majority holding in TO –Kuoni- the largest Swiss tour group, and Air France has a 70 per cent interest in Sotair, a major French tour operator (Shaw & Williams, 1994: 113). In short, the tourist industry's vertical integration exerts a monopolistic control over demand mostly generated in core societies. By fixing the price of the tourist product and controlling the structure of the business, multinational

companies prevent less developed nations from taking full advantage of the economic gains (eg. foreign exchange) brought by the development of tourism.

In the Caribbean, foreign monopoly does not only take place in the accommodation sector but in transport as well. In 1992, Pattullo states, foreign airlines controlled nearly three-quarters of the seats to the region, with American Airlines alone picking up more than half of those seats (Pattullo, 1996: 16). Lack of greater national participation of native entrepreneur groups in other sectors of the tourist industry, except those of hotel and local transportation, has led to the association of this economic activity with foreign domination and external dependency. In other words, host societies are in a dependent situation because of the high concentration of capital in the interwoven hotel, airline, and tour operator multinational companies. These companies exert a monopoly control over international long distance transport and have exclusive and direct access to the tourism markets of wealthy societies. The position occupied by Third World pleasure destinations in the transnational structure of the tourist industry is further weakened because of the lack of uniqueness of their tourist product. Given that there are many tropical paradise sites on offer in the world tourist market, multinational companies are left in a privilege position for easily substituting one destination for another (Böröcz, 1996: 12). In summary, tourism's potential for generating broadly based growth and contributing to the financial well being of a host country is questioned (Brohman, 1996: 54).

III. Tourist Infrastructure

Host countries in the developing world lose hard currency due to the large amounts of money which have to be invested in building some of the tourist infrastructure. Vellas

and Bécherel note that investments in hotel construction, for example, tie up large amounts of capital for medium –to long-term periods, a typical feature (they say) of heavy industries (Vellas & Bécherel, 1995: 97). Contrary to the idea that tourism requires relatively low initial capital investment, the destination country incurs major public spending costs because of the building of new airports, disposal and sewage plants, and other urban infrastructure. Infrastructure that, quite often, is financed not with local savings but by borrowing on the external financial market. In this case, public investment in tourism becomes part of the country's foreign debt. Enloe has pointed out that, "the international politics of debt and the international pursuit of pleasure have become tightly knotted together as we enter the 1990s" (Enloe, 1989: 32). According to Pattullo, the Gregorio Luperon International Airport in the Dominican Republic was expanded in the 1990s at a cost of US \$20 million. Funds for the expansion came from the government and some foreign sources (Pattullo, 1996: 31). Xu notes that one of the consequences of extensive joint-venture hotel constructions in Guilin, China, is mountain-high foreign debts. Because the hotels involved do not have the financial capacity for paying the foreign debts, it was reported that from 1990 to 1993 "the city government of Guilin (via Banks and local revenues) had to take the responsibility in repaying US \$6-7 million foreign debts per annum, making up 60-70% of total repayments" (Xu, 1999: 129). Developing countries are in a disadvantaged position since sources of finance for investments are not easily available for them and they have to borrow money from international financial institutions. Thus, as Davis has pointed out, the continuing interest payments that less developed nations incur when borrowing overseas capital for building tourist infrastructure promote dependency rather than the reverse (Davis, 1978: 307).

Less developed nations also lose valuable income, at least at the beginning or initial stage of the development of a tourist resort, due to the fiscal incentives and other kind of exemptions offered to both national and foreign private investors. Lack of capital leads governments in the Third World to offer very advantageous incentives as a way of attracting foreign investors or large national businesses. Tosun points out that “as a result of the economic, social and political crisis of the 1980s, Turkey made almost an irreversible decision about the tourist industry by enacting the Tourism Encouragement Law that gave generous incentives to the industry” (Tosun, 1998: 595). In China, according to Xu, “regions or enterprises engaged in international tourism businesses receive favorable treatments in terms of investment, taxation, revenue-sharing, and so on” (Xu, 1999: 20). According to Freitag, former president of the Dominican Republic, Joaquin Balaguer, helped to pass favourable legislation in 1971. The so-called “tourist incentive law” was designed to provide tax breaks and fee exemptions for private individuals investing in tourist businesses of scale (Freitag, 1996: 231). In short, due to the fiscal incentives provided by most national authorities and given the high cost of building a tourist infrastructure (e.g. airports) which is little utilized by local people, it is not exaggerated to state that locals, in fact, subsidize the holidays of affluent foreigners (Crick, 1989: 316). This is not to deny the fact that locals benefit from some of the infrastructure (roads, sewage works) built with the introduction of tourism. But tax breaks and the cost of maintaining and repairing the infrastructure are two factors which should be borne in mind when assessing tourism’s contribution to development. Though it has been pointed out that the government secures approximately 20 per cent of tourism receipts through taxation (de Kadt, 1979: 34), other studies (Bird, 1992) suggest that the net contribution of tourism to revenues is much less. Bird argues that except for the large tourist establishments which quite often enjoy such stimulus to investment as

tax-free profits, the tax base left in many Third World countries is composed of small businesses that too often are in the (untaxed) informal sector or the so-called hard-to-tax part of the formal sector (1992: 1149).

Tourism: A Fickle and Seasonal Industry

The promotion of international tourism as a developmental avenue for less developed countries implies that this economic activity relies heavily on the market demand of those inhabitants of the First World. Consequently, the mass tourist sector of the periphery destinations is dependent on the shift of market tastes generated in sending societies and has to adapt to these changes. Today, for example, consumers opt for shorter holidays. As was put by a top executive, “The traditional mass market package is declining. People want something over which they have more control” (Jones, 2002: 22). Having in mind this changing nature of the industry it is uncertain whether any particular Third World destination has a secured position in the world tourist system. It has also to be borne in mind that traveling to other countries or within the same territory is ultimately dependent on the disposable income of those who can afford such non essentials as leisure or tourism. As Foster has pointed out, “... after all, the tourist is selected from his own country or region by the possession of sufficient opulence to satisfy his wants and still leave his home to travel” (Foster, 1964: 221). Brohman argues that “northern tourists switch their vacations to closer, less expensive destinations during periods of financial hardship” (Brohman, 1996: 57). Furthermore, the soundness of international tourism as a developmental avenue is not only disputed by the shift in market tastes, but by the seasonal character of the tourist industry itself.

Third World destinations have primarily embarked on the promotion of international tourism which is based on the sun, sand, and sea product. By pursuing this kind of tourism development, however, host nations have placed their mass tourist sector at the mercy of season and climate change. It is the case that a great number of international tourists travel to different spots in less developed countries during the northern hemispheric winter. The seasonal nature of much international tourism development means that the infrastructure and tourist facilities are not used all year around. “leaving many people out of work and much accommodation under-occupied” (Crick, 1989: 315). For instance, it has been estimated that in the Gambia, 50 percent of the hotel workers are laid off as the hotels close down between April and October for lack of patronage (Sindiga, 1999: 29). In short, a seasonal enterprise such as tourism does not only cause considerable economic discomfort to hotels, other peripheral businesses, and employees, but place at the center of the discussion the issue of diverting valuable and scarce resources to the promotion of tourism instead of other economic activities.

Tourism and Politics in the Third World

I. Political Instability

“Trust me, there are no international terrorists in Thailand”

Thakissn Shinawatra, Prime Minister of Thailand

Financial Times (2002) December 6, Pp. III.

International tourism is a sensitive economic activity. The industry not only suffers when there is an economic downturn occurring in rich societies, but also due to political or world conflicts such as war and, more recently, terrorism. Generally speaking the sector tends to recover after a fall in visitor numbers and earnings occurs due to political

instability. The Gulf War, for example, affected the tourist economy of Tunisia but the sector recovered afterwards. Talking about the German influx of tourists to Tunisia, Poirier notes that after experiencing a 16% Gulf War related drop in 1991, German entries in 1992 increased more than 60% from 393,416 to a record high of 649,381 (Poirier, 1995: 161). However, the September 11 2001 terrorist attacks on the USA have had long lasting negative effects for the tourist sector of both developed and developing nations. Visitor numbers in Bermuda have shrunk following terrorism attacks on the US (James & Croft, 2002: I), whereas it has been reported that the number of overseas visitors to Britain is 20 percent below 2000 levels as a consequence of both the foot-and-mouth outbreak and the September 11 attacks (Graham, 2002: 6). In an international scale the industry has not recovered from September 11 and the slowdown in the world economy. These two factors have produced a staggering change in levels of air travel resulting in nearly 20 per cent of the world fleet of commercial aircraft being grounded (Done, 2002: 31).

International tourism has been the target of violent action by groups involved in local and international conflict. Certainly the Bali bombing of October 2002 has been the worst atrocity to hit the tourist industry since the massacre of Luxor, Egypt, in 1997 when 67 tourists were killed in a machine-gun attack (Allison, 2002: 6). For the Indonesian government, Bali's tourist industry has been a source of wealth which had been relatively free from the religious, ethnic and separatist violence which has affected other parts of the country. But the killing of more than 187 people and injures to 300 caused by the explosion of two bombs set by a radical islamist group in a nightclub at Kuta Beach, Bali, has irreparably damaged the happy and tolerant reputation of this resort (Fickling, 2002: 6). The negative effects of such a violent event have also been

experienced by other tourist economies of the region. As the secretary general of the Thai Hotels Association has said, “if it hadn’t been for the Bali incident, this year was shaping up to be a fantastic 12 months” (Barnes, 2002: III). Richter argues that one of the most common problems of political instability and tourism is that any disturbing event is magnified due to its exposure by the media². Such media publicity leads foreign tourists not to visit other destinations of a region given that they come to be perceived as dangerous as the trouble spot (Richter, 1992: 41).

There is no doubt that foreign tourist demand tend to be fickle because of the cost of traveling, the quality of the service purchased and the kind of experience delivered by the host society, but perhaps the most decisive factor tourists take into account when going somewhere is safety or political stability. Hoteliers in the Caribbean say that increasing violent crime is deterring some visitors (James, 2002: 11). Thus, when Third World countries embark on tourism development their governments do not only have to invest in the building of the physical infrastructure, but they also have to procure peace and order by, at least, eliminating threat and violence from the resort area visited by international tourists. As Sindiga has argued, “political stability must be cultivated as an important factor in influencing tourism” (Sindiga, 1999: 25). When there is a threat to the visitors’ safety, then the tourist industry of the host society suffers from the diversion of the tourist flows caused by the warnings messages of the national authorities of sending nations. For instance, in the aftermath of the Bali bombing, the Foreign Office told Britons not to travel to Indonesia (Aglionby & MacAskill, 2002, 1). Following the Bali bombing travel warnings to Thailand were also announced by Germany, Denmark, Australia and the US (Barnes, 2002: III). Since the Foreign &

² Richter notes that the Tourism Authority of Thailand speculated that the 1983 drop in tourist arrivals from several major generating countries was due to the accounts of crime against international tourists reported in their local media (Richter, 1989: 91).

Commonwealth Office warned tourists about going to Thailand given that there were intelligence reports saying that Phuket could be a future terrorist target, Hotel occupancy was down to 50-60% in November when usually it is around 80% at that time of the year. Consequently, as Miles says, “it’s not just the hoteliers who are feeling the pinch, it’s the stall-holders, tailors and bar-girls, too” (Miles, 2002: 4)

Governments of destination countries do not only have to invest in the maintenance of the tourist infrastructure, but are compelled to divert resources from other areas to the provision of security for foreign visitors. Richter has noted that the formation in Thailand of an expanded tourism police force became necessary as tourists increasingly became the targets of crime in early 1980s (Richter, 1989: 91). Local and national authorities of the host area are in the dilemma of how to make the foreign visitors feel safe if at the same time security is tightened. A female American tourist visiting Phuket after the Bali bombing says that she is not going to go on any day-trips. “I’m just enjoying the safe haven here”. Miles reports that the female American traveller and boyfriend can not feel anxious or nervous if it is taken into account that they are staying in world class hotels with luxury spas and private swimming pools and, most important, with security barriers at the driveway (Miles, 2002: 4). In Bali, Indonesia, the main fear is not that the terrorist will strike again, but that the tourists will not come back if the resort is turned into a fortress. As a way of bringing the tourists back the local governor has even suggested restricting access to the predominantly Hindu island by other Indonesians, most of whom are Muslim (Watts, 2002: 5). Since the Bali bombing the Thai town of Patong which is located in the well known tourist resort of Phuket, has road-blocks manned by armed police on every approach road (Miles, 2002: 4).

Tourism's fragility is embodied by its use as a prime target by terrorism and other forms of political violence. Maybe the most documented case is that of the Philippines under Marcos government in the 1970s. Richter notes that the massive tourism program of the Philippino government during that time produced a violent response from the opposition. Violence against the tourist industry had its roots in a context characterized by deteriorated economic and social conditions (Richter, 1989: 52). Governments, especially in developing countries, should thus bear in mind that tourism is a risky developmental option given that this sector can be seen as a suitable target for local or international groups which do not express political opposition through the channels legally recognized, but by exerting violence. Moreover, tourism as a developmental avenue presents some problems for less developed nations from a political point of view because it seems to be that these countries are also often unable "to contain mobs, quash guerilla activity, or insulate tourists from the political strife that might be manageable for more developed nations" (Richter, 1992: 37).

II. Tourism and Resources

Most less developed nations have natural resources and a pristine environment which constitute attractive assets to be marketed and exploited by the tourist industry. In Sutherland's words, "the very backwater status of Belize is now one of the main reasons tourism is booming" (Sutherland, 1996: 259). Equally, Lundy states that Jamaica's tourism industry could not survive if the country were not known to possess attractive beaches, beautiful mountains and exotic flowers and plants (Lundy, 1999: 93). Tourism, as a production system, entails the capturing of rents from physical resources which are deemed to have both a social and scarcity value. In Britton's words, "places provide

opportunities for the generation of rents by virtue of their special qualities and status and the captured proprietary assets that flow from them” (Britton, 1991: 462). Consequently, conflict occurs because of the competition for control over (potentially) scarce resources such as land, food and water. In various destinations of the Third World, especially coastal areas, prices for land, property, and food have increased. Land speculation, for example, has been reported in Cyprus in the early 1970s (Kammas, 1993: 71), in Thailand (Forsyth, 1995: 883) and in the Caribbean where the increase of land prices prevents local people from buying it, and reduces the pool of land for agriculture and other uses (Pattullo, 1996: 35). Suddenly, golden, sandy stretches of the coastline become an attractive asset for both those who own the land and those who want to buy it. In other words, land and water become valuable resources over which developers and locals have a stake. According to Freitag, former owners of tracts of private property which have been appropriated for tourism development in the Dominican Republic, have little recourse but to accept the indemnity offered by the government (Freitag, 1996: 231).

Locals in many tourist destinations in the Third World can no longer own plots near resort areas as a consequence of inflated land prices, and access to some of the nicest beaches is also restricted once the hotels purchase tracts of coastal line. Although the beach is a public space, casual vendors tend to be restricted, and local behaviour is scrutinized, “as a strategy to safeguard tourism for the visitors” (Pattullo, 1996: 82). And if locals feel like aliens in their own land when access to their beaches is limited, animosity towards the industry and the authorities occur when essentials such as water are unevenly distributed. According to Olsen there has been resentment against hotels in Negril, Jamaica, which siphon off water before the rest of the community could be

served (Olsen, 1997: 291). It has been reported that hotels have preferential access to scarce water supplies at the expense of the local population in Goa, India (Wilson, 1997: 57). But the uneven distribution of resources such as water and land, and the limited access to beaches in tourist destinations in less developed nations, reflects the huge disparities of wealth and power between the different social groups composing these societies. Such unbalanced social structure implies that some actors are in a better position to profit from the expansion of tourism. It has been noted that the wealthiest local family in Luperon, the Dominican Republic, has sold the coastal land on which the Luperon Beach Resort was built, and controlled adjacent property (Freitag, 1994: 548). Freitag points out that besides transnational companies, those who are the main beneficiaries of tourism development, at least in the Dominican Republic, “are the local elite who have the financial and conceptual wherewithal to undertake economic ventures in this new business sector” (Freitag, 1996: 229).

In summary, tourism development in the Third World does not take place in a vacuum, but in a social and political framework characterized by unequal access to resources. Thus, the developmental character of tourism is ultimately shaped, as any other economic activity, by the social and political organization of the host society. As it has been argued elsewhere, planners of tourism can do little to promote greater equality in the distribution of the benefits of the tourist industry, “if the forces making for inequality are left a free rein in their society...” (de Kadt, 1979: 32).

III. Tourism and Constituencies

The promotion of tourism generates distributional effects which has led to the formation of different political constituencies. As Harrison has noted in the case of Bequia in St Vincent, “those with land to sub-divide, housing to rent, hotels to run, and labour, goods or services to sell, legally or otherwise, favor the industry’s expansion, even with foreign involvement” (Harrison, 1992: 24). However, tourism development in other parts of the Third World has led to opposition, and some organizations have emerged as a response to cultural or environmental effects associated with the growth of the tourist industry. Wilson states that there is a well-organized local anti-tourism lobby in Goa, which has been remarkably successful in publicizing some of the negative impacts of tourism in both academic publications and the international press (Wilson, 1997: 52). It has been noted that many of the most active environmental groups in Jamaica are located in popular tourist enclaves (Lundy, 1999: 93). Olsen points out that Jamaican community organizations have been forming since 1983 to address the social and physical ills caused by rapid over-development for tourism (Olsen, 1997: 286). In Goa, India, small-scale local entrepreneurs have demonstrated against the growth of a charter-package business which monopolises much of the tourist activity. A conflict that basically is, as Wilson argues, over who was going to get access to the tourism dollar, rather than rebellion against the industry itself (Wilson, 1997: 61).

Some groups in the Third World have benefited from an unregulated development of the tourist industry. Richter notes that the Thai private sector did form a Tourism Awareness Committee to promote official and public understanding of tourism’s economic impact, and it has been opposed to comprehensive tourism legislation and

regulation of businesses establishments (Richter, 1989: 94). Tourism development in Urgup, Turkey, led new powerful business groups to organize themselves in order to maximize their interests, and thus “became very effective in the socio-political and economic life of the established rural community” (Tosun, 1998: 601). In summary, in tourism as in any other social or economic activity in which material and non material resources are distributed, there are winners and losers. As Britton has pointed out, “companies, governments, and class and nonclass social groups compete for the rents to be obtained from the construction and selling of experiences and places to would-be tourists” (Britton, 1991: 455). Such competition, however, is far from being fair if differences in wealth and power are taken into account. In the end, the distributional struggle accompanying tourism development in the Third World indicates that this economic activity is a bone of contention, that is, a political issue.

Tourism and the Environment

Though tourism possesses both conservation and destructive characteristics (Lea, 1993: 705), almost everywhere in the Third World the environment has been damaged by the development of the tourist industry. Some of the positive environmental impacts brought by tourism are the preservation and conservation of natural resources through the creation of national parks, reserves and wild life sanctuaries. Such tourism-related conservationist projects have been reported in Maharashtra, India (Chakravarty, 1999: 138) and in Belize where the Hol Chan Marine Reserve (Hol Chan) was established in 1987 to protect the reef ecosystem, and to provide both recreational services (tourism) and research opportunities (Lindberg: et al, 1996). However, tourism overdevelopment in places such as Negril, Jamaica, has led to the degradation of the environment (Olsen,

1997). According to Lundy, the need for foreign exchange earnings from tourism has led to the overexploitation of Jamaica's natural landscape (Lundy, 1999: 84). In the Caribbean, beaches have been eroded, and the breakdown of coral reefs, coastal pollution from watersports, and the dumping of waste and the non-treatment of sewage, have also occurred (Patullo, 1996: 106). In Turkey, the Ministry of Tourism has undertaken some special projects to correct known environmental abuses and to prevent future misuse (Pinar-Tavmergen & Oral, 1999). In northern Thailand it has been reported that the adoption of tourism has impacted upon environmental degradation (Forsyth, 1995: 892). And in Goa, India, seawater has been polluted by the disposal of hotel sewage (Wilson, 1997: 57).

In short, tourism pollutes as well as it helps to preserve wildlife resources. As Lindberg argues, "when entrance fees, donations, and other tourism-related revenues are channeled back into protected areas, tourism generates direct financial support (Lindberg, et al., 1996: 547). But, on the other hand, environmental degradation is likely to occur when the enforcement of the law is weak, something which generally happens in Third World countries. As Patullo argues, the protection of the environment depends ultimately on political initiative. But, he says, "the institutions and mechanisms that are required to best prevent the region (the Caribbean) from destroying what it needs most are absent" (Patullo, 1996: 113)

Conclusion

In this chapter I have highlighted the main social and economic impacts of tourist development in the Third World. I have done this by tracing the principal forces lying

behind the less developed nations' decision to embark on such an economic activity as a developmental avenue. As was indicated, disposable income in developed countries and the portrayal of tourism as a useful device to surmount the ills of underdevelopment, led governments in the Third World periphery to jump onto the tourist wagon. With the financial backing of world lending institutions such as the World Bank, and the encouragement of bodies such as the United Nations Development Program, host countries in the Third World became to see tourism as a modernizing influence for their economic and social milieu.

I have argued that the state has played a crucial role in the expansion of tourism in the world periphery. Such a function of the state is far from being a neutral one distinguished by the arbitration of disputes between the competing interests involved in tourism. State activism in Third World tourism is mainly the outcome of leaders confronted with a social context characterized by high rates of unemployment, poverty, and lack of foreign exchange to finance development. In other words, tourism in the developing world has mainly been seen as a way by which development can be achieved. As Xu points out, in a society like China which is undergoing a major transition and "economic growth is regarded as an overarching objective of all development efforts, the prime interest of the Chinese government in tourism promotion is economic" (Xu, 1999: 6). Declining prices of primary products in the world market, mounting foreign debt and unemployment have all been major factors inducing political leaders in less developed nations to promote tourism. Sindiga notes that due to Africa's declining economic fortunes, tourism in development has become especially urgent (Sindiga, 1999: 19).

Tourism development, however, has its costs when is chosen as a major developmental avenue. The impacts of this so-called “industry without chimneys” are measured in environmental, economic, social and cultural terms. The extent and nature of the effects brought by tourism are not exactly the same everywhere, although some generalizations have been illustrated. However, there are some issues such as foreign ownership, type of tourist development chosen, and seasonality which have to be taken into account for assessing the developmental contribution of tourism. In short, tourism is an economic activity which has both positive and negative consequences for the host destination and its people.

The vertical organization of the leisure industry and its monopolistic power, are two set of factors which have portrayed tourism as another form of economic dependence for Third World countries. At another level, tourism has also led to important changes in the structure of communities, families, labour, and the representation of gender. Power is not only embodied by the relationship between governments, conglomerates, and world developmental institutions in their common effort for the promotion of tourism, but by the contact established between both male and female tourists –mainly from the First World- and their hosts. Tourism in the world periphery is another area in which affluence and deprivation are confronted, and where violence against visitors and the industry reflects major ideological and political conflicts in national and international spheres.

Contention in the tourism domain is not only embodied in such tempestuous acts as terrorism and violence. The uneven distribution of natural resources such as land and water, and over the tourist dollar, may also give rise to disputes and rivalry between

different groups affected by tourist growth. Tourism, as any other economic activity, has its winners and its losers, those who support further development, those who oppose it, or those who want some changes in the way the industry evolves. There is much at stake in tourism development in the Third World which makes it more than nice sunny beaches and travellers having a relaxing time in pools and comfortable hotels. Tourism in the developing world mirrors the economic and political disparities between sending and receiving societies.

In the next chapter I set the historical context within which the early manifestations of tourism in Mexico began to take shape. In doing this, I illustrate how the new political arrangements and institutions generated by the revolution of 1910, came to mould the development of embryonic forms of tourism in Mexico.

Chapter V

Regime Building and Tourism in Postrevolutionary Mexico (1920s-1930s)

Introduction

In this chapter I will explore how, between the 1920s and 1930s, a mixture of distinct social structures, political and economic institutions, diverse groups and their interests shaped the development of tourism. Though I do not intend to narrate the full evolution of Mexican tourism and give a detailed account of the most significant places, people and figures in the history of this socioeconomic phenomenon, it is essential to grasp some of its most enduring features if the political contours of this economic activity are to be captured. For instance, this chapter demonstrates that the early promotion of tourism in postrevolutionary Mexico was an important device for the development of a domestic business class and an useful means to promote political stability. Furthermore, by promoting tourism state elites helped to give shape to a premature notion of *lo mexicano*.

Foreword

Early manifestations of tourism in Mexico can be traced back to the 1920s. This period saw the Mexican society just recovering from the physical destruction and the costly trauma of the loss of human lives brought by the revolution of 1910-1917. Although tourism was in its infancy, it can not be disassociated from a context in which social and political forces were building up the political and economic institutions to enable the

Mexican state to regain physical control over the nation, and to take a new role in the economy, that is, in the production of goods and services and in the distribution of income. Such a political and economic structure would acquire a prominent role in the transformation of society, and it would ultimately shape the unfolding of tourism in Mexico. Thus, the development of tourism should be analysed by looking at the way social groups and political actors have constructed that institutional edifice by which major changes affecting the society, economy and polity of Mexico have been fomented. Consequently, it becomes necessary to enlarge the definition of the Mexican state given in the first chapter and expand on some of its most important characteristics. This is so because - as I will demonstrate in the coming pages- the role of the state and its elites was to become central in the growth of tourism. Such an analysis of the polity in Mexico will prove that tourism development has been, to some extent, the end result of the particular way relations among social groups have been constructed, and relations between civil society and public authority have been structured. In summary, between the 1920s and 1930s, Mexican ruling elites (in particular presidents Calles and Cárdenas) embarked on the larger tasks of nation building, forming of the state apparatus, and effecting socio-economic change. Such ambitious enterprise, however, would impact on the manner in which different social actors in the tourist field (for example state officials, entrepreneurs, and workers) related to each other and moulded the development of this economic activity. As Saragoza has pointed out, the significance of tourism (in Mexico) “extends beyond its economic consequences, as the early development of the industry also illuminates the workings of an authoritarian regime...” (Saragoza, 2001: 91).

State Formation and Regime Building in Post -Revolutionary Mexico

I. Revolution and Constitution

Military fighting during the course of the cruel and bloody Mexican revolution (1910-1917) greatly affected the economic and physical infrastructure of the country. In addition to the nearly 1 million deaths, the destructive force of the revolution ruined the economy of the country. Agricultural and mining production, for instance, declined severely. It has been estimated that agriculture commodities constituted 31.6 per cent of total exports in 1910, whereas in 1921 these amounted to only 3.3 per cent. Mining production was 1,390 million pesos in 1910, while in 1921 it totaled 620 million pesos. The communications infrastructure was also greatly affected during the course of the civil war. It has been calculated that 3,873 freight cars and 50 locomotives were severely damaged, and 2,000 kilometers of telegraph lines were destroyed (Aguilar Camín & Meyer, 1989: 87-88). But material devastation was not the only result of years of civil strife, the popular armies of Villa, Zapata and Obregón swept aside the last vestiges of a liberal oligarchic state headed by Porfirio Díaz, who was supported by a small clique of *hacendados* (landowners), foreign industrialists, and the clergy. The revolutionaries had finally amputated a pseudo-aristocratic society “in which the rich, the foreigner, and the select politician denigrated the lower classes” (Brandenburg, 1964: 41). But when the overthrow of the authoritarian regime of general Porfirio Díaz (1876-1911) was completed, and reactionary general Victoriano Huerta was defeated and sent to exile, “a confrontation between the contradictory forces of the revolution ensued... and led them once again to the battlefield” (Leal, 1975: 49).

The military and political superiority of the group led by Carranza and Obregón over the factions headed by Emiliano Zapata and Francisco Villa meant the hegemonic ascendancy of a project of reformed capitalism over a plan of action by the rural masses. By the time the armed conflict between the divergent revolutionary factions ended, the nation was in such a disarray that it was imperative not only to rebuild its economic apparatus but to lay the bases of a new political regime. A new beginning would burgeon when the revolutionaries congregated in the city of Querétaro in 1917. From the discussions of that convention came a social contract or pact – a constitutional charter – which signaled the inauguration of a political system upon which the Mexican nation would be created. The 1917 constitution came to be a statement of aspirations and political ideas such as nationalism, anticlericalism, economic redistribution and social justice. Although constitutional mandates have not been wholly reliable guides to the actual practices (Özbudun, 1970: 394), the 1917 precept would provide the dominant ruling group with a legal, ideological and political charter by which the developmental capabilities of the new Mexican state could be fostered.

In addition to the provision of such matters as democratic government and guarantees of civil liberty (meaningless and impossible during that time), the constitution came to be a comprehensive codification of important economic and social welfare issues. By including, for example, separate articles providing for land reform (Article 27) and worker's legal and social protection (Article 123), the 1917 constitution granted a social character to the new rights of peasants and workers, "not just opportunities for individual advancement" (Middlebrook, 1995: 21). Land reform, which reached its climax with president Cárdenas in the 1930s, would be the new regime's response to the long-established needs of the rural population. According to Cordova, in 1910, 97 per

cent of the land was owned by *hacendados* (landlords) and *rancheros* (ranchers), 2 per cent was in the hands of small farmers, whereas the remaining 1 per cent was retained by indigenous communities and *pueblos* (villages) (Córdova, 1989: 32). In that year 80 per cent of the population (12 million) worked in the rural sector earning between 18 and 25 cents per day. This remuneration was similar to that of the late XVIII century and early XIX century (Silva Herzog, 1972: 22, 39). Article 123 of the new constitution gave workers a medium to leave behind oppression and abuse. During the dictatorship of general Porfirio Díaz (1876-1910), the criminal code of Mexico City established that those workers who asked for higher wages or incited their comrades to strike should be arrested (1972: 50). Bakers in Mexico city, who worked 14 hours per day, only earned 1 peso and 20 cents (Valadés, 1985: 40).

If the Revolution made clear its formal commitment to the well being of the masses, and set in motion important changes affecting existing relationships, institutions and structures, it never suggested or implied the dominance of the proletariat over the bourgeoisie (Leal, 1975: 50). In fact, the ideological and rhetorical essence of much of the social reform included in the constitution has not threatened the functioning of a reformed Mexican capitalism. Formal social reformism, however, came to have a prominent political effect. Effectively, whereas the state in the *porfiriato* was strong due to the power of the dictator, the powerful character of the revolutionary state was given by its commitment (at least in conventional terms) to economic transformation and social improvement (Córdova, 1989: 209). Thus, aspirations of economic and social change, which came to be embedded in the building and functioning of institutions, became important forces shaping the developmental function of the Mexican state. As a matter of fact, between the 1920s and 1930s different government branches were used

to foster economic growth and address some of the needs of the poor. Official agencies such as the Banco Nacional Hipotecario Urbano y Obras Públicas had engaged in the construction of subsidised housing from the second half of the 1930s (Cacho, 1961: 155). In Middlebrook's words, "the 1917 constitution endorsed active state intervention in socioeconomic affairs to achieve the revolution's redistributive goals" (Middlebrook, 1995: 21).

The deployment of the developmental capabilities of the Mexican state, however, has not only been assisted by the social character of the founding pact embodied by the constitution. The concentration of power in the executive would make easier for successive state elites to implement policies fostering economic growth and affecting social change. Indeed, the supreme charter gave room to the formation of a powerful central government and granted key national political leaders great laxity in the exercise of their function. As Brandenburg has pointed out, constitution-makers produced a document through which a president can find legal justification for almost anything he wishes to do (Brandenburg, 1964: 10). Writing in the 1970s, Leal contends that the power of the Mexican executive is so great that he refers to it as a presidential dictatorship (Leal, 1975: 54). Ignoring recent changes in the political landscape of the country and subsequent amendments to the constitution, the latter has such a flexible (and paradoxical) character that the central government could be strengthened at the expense of the states, the executive could circumscribe other branches of government (the legislature and the judiciary), private or communal ownership could be advanced or discouraged, and distribution could rest in private hands or become a principal function of the state (Brandenburg, 1964: 10).

It is not my intention to go into the details of the constitution but to highlight how state action in Mexico came to be assisted by the writing up of a document that did not only include new ambitions for the landless and urban poor, but placed preeminent authority in the presidency as a necessary measure to implement social reforms won during the revolution and to ensure the political stability required for national economic development (Middlebrook, 1995: 41). Thus, both relative state commitment to the well being of the masses and the building of a strong executive, would be decisive and facilitator factors through which economic growth would be fostered, though greater income inequality would occur.

II. The Centralization of Power

The revolution had left the country economically bankrupt but also military overstaffed. By the time Carranza came to be the first president (1917) of the new regime brought about by the revolution, “Mexico found its productive machine torn apart and beset by poverty, famine, disease, and inflation” (Brandenburg, 1964: 54). In such a context economic growth became a primary concern of the new ruling circle. But setting in motion the productive machine of the country required political stability. The group that emerged victorious from within the various revolutionary factions, a cluster of small land owners (*rancheros*) and members of the middle class from the north of Mexico, had to reduce the incidence of armed rebellion by disloyal army generals before embarking on the task of reconstructing the physical infrastructure of the country and rehabilitating its economic apparatus. So, if economic growth was a major mission for the *Northern Dynasty*, political stability was a paramount aim. As it has been pointed out, “there can be little doubt that in many developing countries years of civil strife...

make the restoration of peace and basic social order an absolute prerequisite for any economic development” (Akyüz, 1998: 25).

The group of Northerners, especially Presidents Obregón (1920-1924) and Calles (1924-1928), engaged in the business of consolidating the new regime, and used various means to achieve this. They used their military power to crush armed opposition (Bennett & Sharpe, 1980: 169), and resorted to patronage, bribes¹, blackmail, and purges in order to maintain their leadership and preserve political stability. As Brandenburg has noted, “wavering militarists were bought off, transferred, or dismissed” (Brandenburg, 1964: 60). The threat posed by military men to the authority of the central government was also neutralized by encouraging them to become entrepreneurs. According to Camp, during the 1920s and 1930s small numbers of revolutionary politicians turned to the world of business (Camp, 1989: 197). By going into business, the central government succeed in channeling the political ambitions of these war lords “into less dangerous directions” (Hamilton, 1982: 86). After all, “the *nouveaux riches* were less likely to risk their new riches by rebelling” (Knight, 1996: 223). As I will show later, it was during that time that some members of the new ruling elite became involved in the tourist industry. Actually, the entrepreneurial participation of members of the governing circle in the first stage of Mexican tourism would be a contributing factor to the politicisation of this economic activity.

The superior enterprise of rebuilding the nation, its economy, and encouraging the solidity of the polity, required more than economic spoils or ground rules of how to govern, it demanded the establishment of institutions. In a word, state elites in

¹ Like that great master of political skills and realpolitik, Alvaro Obregón, put it with his characteristically cynical wit, “no Mexican general can resist a cannonade of 50,000 pesos” (Knight, 1996: 222).

postrevolutionary Mexico, especially the so-called Sonoran dynasty, achieved the centralization of state power and embarked on the establishment of an institutional framework (Hamilton, 1982: 272) through which socioeconomic change could be effected, and political order maintained. By centralizing power and building institutions, the new ruling group could both defend the revolution against domestic and foreign interests, and facilitate state direction of the economy. According to LaPalombara, a political system requires the centralization of the polity, especially when the central effort is that of initiating social, political, and economic change, and creating a sense of nationhood (LaPalombara, 1967: 13).

After eliminating the menace that regional military power represented to the fragile political order², the Northern governing elite, especially Calles, commenced the creation of key Mexican political institutions such as the National Revolutionary Party (PNR) (predecessor to the Institutional Revolutionary Party –PRI). The skillful construction of the PNR strengthened political stability by absorbing local *caudillos* and giving them a political arena within which their disputes could be solved peacefully. Additionally, with the establishment of the PNR in 1929, access to political power was institutionalised and monopolised (Bennett & Shape, 1980: 169). In essence, by forming the party, local military as well as civilian chieftains would be pacified, and presidential succession would not lead to armed uprising. But most important, the formation of the PNR signaled the beginning (or initial phase) of an institutionalized pattern of representation and control of important groups of Mexican society.

² Two thirds of the Mexican army supported Adolfo De la Huerta when he challenged Obregón's wisdom in picking Calles to become president in 1924. Most of the leaders of the rebellion were caught and shot (Parkes, 1960: 380).

The PNR was a loose coalition of independently based forces, although it also included a modest version of interest group representation through which Calles sought to secure his personal power. The importance of founding the party, as Calles put it, was “to define and crystallize in institutions the values of the Mexican revolution” (Croan, 1970: 456). In the end, the creation of the PNR marked the beginning of a process of concentration of power in the presidency by which the implementation of policy would be eased. In fact, as Croan has argued, the presidency and the party have obviously evolved in close relationship to one another (1970: 457). Summing up, the PNR was the first step of a process of institutional organization and political centralization brought by such modernizing force as the Mexican revolution, and through which political stability and economic development (especially in the 1940s and 1950s) would be fostered.

III. The Emergence of the Corporatist State

The process of centralization of power and interest representation consolidated during the presidential term of Cárdenas (1934-1940). It was in the late 1930s that Cárdenas, a moderate member of the PNR governing coalition (Hérmendez, 1979: 20), gave the Mexican political body a system of corporatist representation through which the state came to acquire a supreme role in organizing relations between civil society and public authority. For Cárdenas, Garrido notes, the task of government was to promote economic development, to mediate when conflict arises, and to marshal the popular masses (Garrido, 1986: 228). Corporatism, that is, “a particular set of policies and institutional arrangements for structuring interest representation” (Stepan, 1978: 46), was mainly articulated through the official political party, worker and peasant unions and, to some extent, business associations. Of all these organizations, the party came to

be the chief instrument through which Mexican political life was organized in accordance with functional principles. The conversion of the PNR into the PRM in 1938 involved the incorporation of such functional groups as urban labor, *campesinos* (peasants), civil servants, and soldiers into the party structure. This corporatist engineering of the party not only provided the regime with a new mass base of support, but it also allowed the ruling class to control and contain the demands and pressures of these segments of society. Although each social sector represented in the party benefits from its inclusion, the controlling task of the party organization does not come to a halt. In other words, if the different groups can get a significant share of political rewards such as a share of public office and a voice in public policy (Croan, 1970: 458), the disciplinary role of the party machine does not diminish. As Stepan has noted, “once organized by the state, these corporate groups (especially the peasants and workers) have been notable for their ineffectiveness in demanding corporate payoffs...” (Stepan, 1978: 66). To come to the point, the corporatist essence of the Mexican political system provided successive national leaders with a mechanism by which the process of economic growth has been freed from “major pressures or crises of a socio-political nature” (Hansen, 1971: 34).

If co-opted occupational organizations could be used to build popular support for government policies (Cornelius, 1996: 56), the Cárdenas administration enhanced state capacity to guide the process of capitalist development by institutionalizing relations with the private sector. Since then, membership to some of the industrial or commerce chambers has been obligatory to industrialists and commercial business people. And by trying to co-opt “as many as possible of the diverse economic interests and political tendencies... represented in Mexican society” (Ibid), ruling elites not only reinforced

the tutelary character of the state, but also constrained the emergence of discordant voices. Thus, an inclusionary corporatist regime such as the Mexican gave rise to a situation of limited pluralism which, eventually, facilitated economic growth and policy implementation. This is not to say that the Mexican state has not used coercion in order to suppress discordant voices, but to recognize that state chartered mechanisms of representation and control would inhibit the political class from a recurrent use of force and repression against opposition groups. In short, the developmental character of the Mexican state was, to some extent, furnished by establishing a corporatist relationship with civil society.

Cárdenas reinforced the state competence to conduct the development of Mexican capitalism by strengthening the executive arm of the government. He did that when transforming the PNR into a party of sectors or affiliated interests upon which the president came to play, until recently, an arbitrator role. By playing such a task the Mexican president would further legitimise and institutionalize his position within the political regime. In essence, during the six year government of Cárdenas, the state expanded its power due to the consolidation of the presidency “as the vital center of the Mexican political system” (Hansen, 1971: 162). Since the 1940s onwards the one who occupies the highest position of the administrative apparatus of the state, namely the president, would become the chief of a political institution with such formal and informal power at its disposal that government policies could be fostered without encountering strong opposition. This is not to conclude that Mexican presidents have been omnipotent, and that they have not faced resistance when implementing policies. Not at all, but to recognize that Cárdenas set in place a political institutional framework, notably a corporatist structure of representation and a consolidated presidential office.

through which succeeding members of the ruling class have guided the process of capital accumulation.

Corporatism and presidential government came to politicise Mexican capitalism by shaping the allocation of resources that nurtured the sequence of economic growth that followed after 1940. Corporatism and a powerful presidency strengthened the autonomous role of the Mexican state and its consequent capability to dictate the unfolding of the economy, and to shape the polity and society. Regarding this, Knight argues that the major achievement of the revolution was the formation of a powerful state committed to both economic growth and political centralisation by using, unlike the porfirista state, more effective means (Knight, 1985: 35). Leal has argued that in the Cárdenas period “a completely consolidated state, finally emerged” (Leal, 1975: 54), whereas Pansters is more cautious regarding the strengthening of the Mexican polity. She asserts that the elimination of the major exponents of the 1920s style of regional and local bossism did not involve the complete disappearance of regional power structures (Pansters, 1989: 135). If Cárdenas defeated the rebellion of the disaffected general Cedillo, the *caudillo* (strong man) of San Luis Potosi who had a private army of around 14 000 peasants, (Martínez Assad, 1990) this did not mean that the president could pass over new forms of local authority. As a matter of fact, Cárdenas did not enforce his reformist project in the state of Puebla and, in exchange, Maximino Avila Camacho, who was the conservative political boss of the region, supported the president on the national level (Pansters, 1989: 155, 156). These new local strong men exercised control in their domains, however, by using the institutions recently established. In Pansters’ words, they “understood that serving as intermediaries within the new state and party structures would enable them to maintain local control” (1989: 144).

In summary, between the 1920s and 1930s the Mexican political class, particularly presidents Calles and Cárdenas, embarked on the construction of those political institutions which would sustain and shapen the new state and its regime. These institutions would ultimately provide Mexico with a social order and peace rarely known in the Latin America context, and the political framework necessary for a phase of rapid economic growth (Huntington, 1968: 317) that would extend for over 30 years, from the 1940s to the late 1960s. If it would be difficult to say that the nascent sociopolitical structure of postrevolutionary Mexico conditioned policies on tourism, the future development of this economic activity cannot be grasped without taking into account the most important features of the formation of the new nation-state. In other words, the creation -between the 1920s and 1930s- of the foundations of a new political regime did not determine the development of Mexican tourism, but came to be a decisive element of a broad context or political theater within which tourism would begin to take shape.

Development Institutions

The mission of eliminating the threat posed by militia men to the central government, and achieving political control over regional bosses (*caciques*), did not prevent national leaders, particularly presidents Obregón, Calles, and later on Cárdenas, from engaging in the erection of developmental institutions. During the administration of president Alvaro Obregón (1920-1924), for example, state economic development authority was expanded with the foundation of the Comisión Nacional de Caminos (National Highway Commission), the Comisión Nacional de Irrigación (National Irrigation Commission),

and the Comisión Nacional de Fuerza Motriz (National Power Commission). whereas president Plutarco Elías Calles (1924-1928) created the Comisión Nacional Bancaria (National Banking Commission) and the central Bank, Banco de Mexico (Middlebrook, 1995: 24). Development endeavour did not only translate into the formation of an institutional edifice, but into the construction of physical infrastructure. Originally conceived by Obregón and carried out by Calles, the Mexican government embarked on an ambitious 10,000 kilometers road construction project. It was during that period that a new motorway connected Mexico City with Pachuca and Puebla, the first stage of the construction of the Pan-American highway was initiated, and a roadway communicating Acapulco and Veracruz was erected (Aguilar Camín & Meyer, 1989: 119-120). By november 1927, the highway connecting Mexico City and Acapulco was in operation (Krauze, 1977: 102). In addition to the provision of such crucial infrastructure as roads, the government went ahead with its irrigation programme which culminated the construction of seven dams in 1927 (Aguilar Camín & Meyer, 1989: 119-120). Between 1927 and 1928 the government spent 5.6 per cent and 6.7 per cent respectively of its budget on irrigation (Turrent, 1977: 145). Interestingly, the administration of Calles (1924-1928) concentrated its muscle particularly in the north and north-west of the country improving, thus, the production of export agricultural products. The economy of rural communities was not provided for in the government policy. Loans, irrigation works and technical assistance mainly helped proprietors of commercial crops (Krauze, 1977: 22).

Direct state involvement in the making of Mexican capitalism would continue under the aegis of other administrations committed to promote various aspects of economic development. However, the economic institutional capacity laid down in the 1920s and

1930s would become so crucial that changes in the Mexican productive machine, including tourism, cannot be assessed without taking them into account. The formation of the Bank of Mexico in 1925, for example, meant that the national fiscal and monetary system was put in the hands of the state (Brandenburg, 1964: 74), and that a new variety of financial controls and financial institutions came to be used to influence economic growth in the following years and after 1940 (Hansen, 1971: 35). Later on, in 1934, state economic capacity was crucially enlarged with the creation of the most important national development bank, that is, the Nacional Financiera (Nafinsa). While Bank of Mexico would become the key-stone of a banking system oriented to the financing of growth, Nafinsa would finance fields not being served adequately by private capital (Gross, 1966: XVII). Since its inception, Nafinsa has concentrated its investment activities in long-term debt financing of basic sectors of the economy (Hansen, 1971: 35). In the end, both development institutions would play a decisive function in the post-1940 phase of economic growth (and thus also the financing of the tourist industry).

The promotion of tourism and other economic activities in Mexico has been carried out by a diversity of official departments, decentralised organs, and enterprises in which the government has participated in one fashion or another. Between the late 1960s and 1970s the most aggressive and conscious backing of the tourist industry in Mexico was supported by a group of key developmental institutions of the federal government that, as I have indicated, were mainly formed during the 1920s and 1930s. This cluster of specialized agencies of the central government (notably bank of Mexico, Nafinsa and the Treasury or Ministry of Finance), has never acquired such a central coordinator role as, for example, the South Korean Economic Planning Board of the 1960s (Johnson, 1987: 154), CORDIPLAN in Venezuela or the Indian Planning Commission (Gross,

1966: XIII). However, this group or network of developmental institutions came to play a crucial guiding role when achieving specific economic goals “toward which Mexican governments have been unequivocally committed...” (1966: XIII-XIV).

Technocrats in Post- revolutionary Mexico

The developmental capabilities of the Mexican state were also strengthened due to the technical competence of the expert or technocrat. In fact, technocrats have played an important role in designing and implementing government policies in crucially important economic ventures. For instance, those agents who occupy high levels in the bureaucratic apparatus, the specialists, came to perform an important task in the execution, in the late 1960s, of the most aggressive tourist policy envisaged by the Mexican state. This cadre of officials, however, has been advising political leaders during a long period of time. Actually, the first governments in postrevolutionary Mexico, those of Venustiano Carranza, Obregón, and Calles, “built a strong bureaucracy relying heavily on *técnicos* (economists and engineers) in the key ministries of Treasury and Public Works (Bennett & Sharpe, 1980: 169). Long time before the East Asian miracle, though lacking the coherence of the state bureaucracies involved in that successful process of impressive economic prosperity, successive Mexican governments sought to foster economic growth by placing highly trained staff, technocrats, in chief developmental ministries and agencies. According to Bennett and Sharpe, prior to and during the government of president Cárdenas (1934-1940) middle and high-level *técnicos* working in the Finance Ministry, Nacional Financiera, and the Bank of Mexico were trained in an in-house program developed in the former establishment (1980: 172). Though there is no evidence suggesting that the specialists

were recruited following a meritocratic system like that used by East Asian bureaucracies (Evans, 1998: 71), Mexican technocrats were sent to foreign countries (often the United States) for graduate study, and were imbued with a conception of development comprising “industrialization... primary reliance on the private sector, and the need for vigorous action by the state to create the conditions for private-sector investment and to do what the private sector would not or could not” (Bennett & Sharpe, 1980: 172).

Origins of State-led Mexican Capitalism

State promotion of the economy in the Mexican case would never lead to the replacement of market forces. On the contrary, state elites in the 1920s and 1930s laid the foundations of an institutional device whose central aim has been that “of making capitalism work for Mexico” (1980: 165). In spite of their commitment to such revolutionary principles as, for example, the protection of the working class, this political posture did not prevent them from encouraging the growth of a native Mexican capitalism (Parkes, 1960: 372). We should not forget that the dominant revolutionary faction, the so-called Sonoran or Northern Dynasty, that succeeded to impose its political and economic programme over the other factions (the *zapatistas* and *villistas*) aimed to modernize Mexico by trying to imitate the American capitalist model which was so (geographically) close and familiar to them (Aguilar Camín & Meyer, 1989: 117). Parkes, for instance, has noted that coming from the “half Americanized state of Sonora, he (Alvaro Obregón) had the mentality of a practical business man” (Parkes, 1960: 372). And despite the fact that political leaders like Calles and Cárdenas represented different contestant’s groups within the new ruling elite, both of them were committed

to assist the unfolding of Mexican capitalism. According to Cockcroft, Calles publicly stated that Mexico's interests "can be satisfied only within the limits set up by the present so-called capitalist system"... (Cockcroft, 1998: 116), whereas Cárdenas' policies of direct state support for public works, highway construction, and assistance for small and medium businesses, benefited Mexico's larger investors (1998: 125). It should be admitted, needless to say, that there were clear differences between the projects of these two leading public figures. The political economy of the Calles administration hardly conceived industrialization as an aim. Mexico, on the contrary, should look like an U.S. agricultural economy (Krauze, 1977: 182). As has been already mentioned, commercial agriculture was supported and the economy of rural communities was neglected. Production of export crops such as coffee, for instance, grew 15 per cent between 1924 and 1928, whereas that of mass consumption products such as corn and beans decreased 40 per cent and 31 per cent respectively in the period 1907-1929 (1977: 165, 170). In 1929 Calles, who barely affected the large landowners (*hacendados*), declared that the distribution of land had come to an end (Hernández, 1979: 29). In 1935 President Cárdenas, quite the opposite, launched the most ambitious land reform by which 18 million acres were distributed among 1 million peasant families (1979: 178). Land reform and its support for *ejido* (communal or cooperative) forms of rural production is not the single issue around which the Cárdenas administration differs from that of president Calles. Industrialization is another domain in which *Cardenismo* and *Callismo* depart from each other. Industrial production, which grew 6.1 per cent annually between 1932 and 1940, became the growth engine of the economy in the 1930s (Cárdenas, 1994: 26). In 1938, Cárdenas declared that it was the government's concern to do anything at its disposal to develop industry, to establish

electric power plants, steelworks, and to use the oil reserves for the well-being of the national economy (Partido de la Revolución Mexicana, 1940: 137).

While president Calles was the political leader who first inserted the state into economic life (Brandenburg, 1964: 75), there is no doubt that president Cárdenas was the one who gave the Mexican state a decisive stimulator and coordinator role in the making of capitalism. During his office term the railroads and oil industry were nationalised, and the Federal Electricity Commission, which became a powerful state force in the electrical industry, was established (Cockcroft, 1998: 128). But the nationalization of the oil industry (1938) was more than an act of economic independence, it provided the state with a means by which the industrialization process could be further stimulated and directed (Hamilton, 1982: 217). By giving such direct entrepreneurial role to the state, Cárdenas would inaugurate a new pattern of the politicization of Mexican capitalism. As Schneider contends, “states politicize capitalism through direct investment in infrastructure and in state enterprises...” (Schneider, 1999: 281). Indicative of that commitment to stimulation of, and intervention in, the economy (Shafer, 1966: 25) was the dramatic shift in the importance of economic expenditures, which increased from 23.2 per cent of the budget in 1934 to 42.6 per cent in 1936 (Hamilton, 1982: 188).

In summary, ruling elites in postrevolutionary Mexico emerged from a period of military struggle that imposed upon them the necessity of establishing political unity, direction, and the mechanisms by which the private sector would be encouraged to make its contribution in the making of a capitalist economy. Cárdenas propped up the process of constructing a robust interventionist state by giving it a direct role in the

production and distribution of different products and services. By acting as an investor or entrepreneur and not merely as a provider of infrastructure or investment incentives, the state came to acquire a productive function that would be used by successive holders of national commanding posts to stimulate distinct economic policies.

Class Formation, Revolutionary Capitalists and Tourism

Governing elites in postrevolutionary Mexico had to give the state an entrepreneurial role in the making of the productive machine of the country because of the weakness of the indigenous capitalist class. As Bennett and Sharpe have pointed out, "Mexico emerged from the revolution without an entrepreneurial class capable of leading industrialisation (Bennett & Sharpe, 1980: 166). Indigenous economic elites such as, for example, that of the northern city of Monterrey where most of the Mexican owned industries concentrated by the turn of the twenty century (Hamilton, 1982: 47), did not have enough strength to carry out the immense task of transforming the economic structure of an eminent rural society. Consequently, the Mexican state was the actor charged with the responsibility of undertaking the reconstruction of the economy due to "the manifest weakness of the national private sector, the absence of domestic financial institutions or a capital market, and the lack of adequate infrastructure..." (Middlebrook, 1995: 23-24).

In addition to the initial institutional economic framework created between the 1920s and 1930s, the path to economic recovery was complemented by the action of a new business class that, paradoxically, was formed under the aegis of the state. This capitalist class "comprised friends and relatives of the successful revolutionary

generals” (Hansen, 1971: 37), as well as some prominent members of the new ruling elite. Actually, between the 1920s and 1930s, an entrepreneurial group close related to the political elite joined the small indigenous commercial-industrialist group of the *porfiriato*, and embarked on the forging of Mexican capitalism with the assistance of the state. By encouraging both the few old guard industrialists and the new revolutionary capitalists to use the funds of the new banking system, state elites did not only seek to pave the way to capital accumulation but influenced class formation in postrevolutionary Mexico. As O’Donnell has pointed out, “in most cases the domestically dominant class has been the child of the state apparatus” (O’Donnell, 1980: 718). In essence, by allocating development bank loans and highly profitable government contracts to both incipient industrialists and revolutionary capitalists, national leaders of the time (1920s-1930s) boosted the formation of an indigenous bourgeoisie and backed political stability. Summing-up, the quest for power of the revolutionaries was channeled through the formation of the PNR, and diverted by the opportunity to become an entrepreneur of the sugar, construction or tourism industry.

The Politics of Tourism in Post-revolutionary Mexico

Between the 1920s and 1930s the foundations of the tourist industry were laid down by public policies that were not coordinated centrally although they were developmentally driven. During this period the state promoted the tourist industry without having a calculated plan or a long term strategy. In fact, much of the incipient government support to tourism was a response to changing circumstances arising within and beyond the national borders. Border crossing in the north, and organized trips made by Americans to places such as Mexico city, for example, would be some of the incidents

leading to the emergence of tourism. It has been recorded that 8,000 foreign tourists, mostly from the United States, visited Mexico in 1920 (Clancy, 1996: 104). whereas ten years later, in 1930, this number increased to 30,000 (Secretaría de Turismo, 1990: 373). Major government enterprises such as the construction of roads would also be essential forces behind the development of this economic activity. All these indigenous and exogenous factors allowed both national and foreign investors to deploy their entrepreneurial capabilities. But the former, as was shown, were either members of the governing elite or close allies of it. Essentially, the Mexican revolution produced a *politico*-business class which came to play a decisive role in the making of the tourist industry. Furthermore, the participation of this revolutionary business elite in the forging of the tourist industry sheds some light on some of the most salient features of the politics of development in Mexico, that is, the politicization of economic activities. Thus, between the 1920s and 1930s, generals, state governors and even trade union leaders owned hotels and other related tourist businesses.

I. Corruption, Political Stability and Tourism

When members of the revolutionary ruling elite began to run hotels, casinos and other business establishments, the boundaries separating private and public interests diluted and corruption came to be a frequent phenomenon of the politicisation of tourism development in Mexico. For instance, when it was known that ex-president Abelardo L. Rodríguez (1933-1934) was going to be governor of Sonora, it was a commonplace comment that he would not have to accept so much graft because he was already a rich man (Hansen, 1971: 126-127). In effect, Abelardo Rodríguez made substantial profits through the operation of gambling casinos on the Mexico-US border. He began his

business activities when he was military chief of the northern zone of Baja California, and continued this entrepreneurial career while in office either as governor (1923-1929) of the then called north district of Baja California, minister of Industry, Commerce and Work, or minister of War and the Navy (1932) (Aguilar Camín & Meyer, 1989: 115). He was the owner of the very famous Casino de Agua Caliente located in the border city of Tijuana (Gómez Estrada, 2002: 119). The whole complex, which was opened in 1928, included a spa, hotel, dog track, and racecourse (Bringas, 1991: 20). Not only in Tijuana, but in the border towns of Ensenada and Mexicali, governor Rodríguez was the principal entrepreneur in the horseracing, casino, and brothel businesses. In a telegram to president Alvaro Ogregón, some citizens complained about the opening of the casino *El Tecolote* in Mexicali, and *Monte Carlo* in Tijuana by governor Rodríguez. They told the president there were rumours that by authorizing the operation of those establishments the governor was receiving 100 thousand pesos a month (Archivo General de la Nación, 1924: O-C, c. 168, exp. 425-t-7). Rodríguez tolerated the running of casinos and other leisure activities not solely because of personal motives, national security issues were also involved. In a telegram to the minister of interior of the Calles administration, Gilberto Valenzuela, Rodríguez tells him that the business associates of the casino *Foreign Club* in Tijuana should be allowed to run their enterprise because of the financial help given to the federal government when emergency circumstances arose (Archivo General de la Nación, 1925: O-C, c. 167, 425-m-14). It is understood that the danger situation Rodríguez referred to was the uprising of Adolfo De la Huerta in 1924. The money given by the associates of the *Foreign Club* was used to buy weapons. In short, General Abelardo Rodríguez, who also invested in real estate, food processing, stocks, and banking (Hansen, 1971:159), proved to have the skills, as well

as other elements of the ruling elite of the time, in converting political resources in economic resources (Purcell & Purcell, 1980: 210).

Corruption played a contributory function in both the forging of a native capitalist class and the reinforcing of political stability. As a matter of fact, corruption in postrevolutionary Mexico was something more than a simple deviation from the Weberian rational-legal bureaucratic government, it performed a valuable political role. Political corruption, that is, self-enrichment of those who use their position within the state apparatus as a means of achieving social mobility, gave room to political stability by providing a tangible source of rewards to potentially dissident politicians. General Juan Andrew Almazán, for instance, would not carry out his threat of insurrection when he was defeated (possibly defrauded of victory) in the 1940 presidential election because, as it was ironically said, “he was too fat, rich, and sick” (Knight, 1996: 223). In effect, he would not put at risk his business interests in such firms as Cía. Constructora Anahuac, Impulsora de Acapulco S.A., Crédito Industrial de Monterrey S.A., and Cía. Petrolera Independiente, “since much of the general’s property and most of his construction interests were dependent upon government contracts” (Niblo, 1999: 88). According to Hansen, Juan Andrew Almazán made millions from construction projects and real estate during the 1920s (Hansen, 1971: 159). As has been noted by Aguilar Camín and Meyer, the construction firm of general Almazán, who was minister of Public Works and Communications during the administration of president Pascual Ortiz Rubio (1930-1932), built most of the highways and roads of that period (Aguilar Camín & Meyer, 1989: 119). Politically powerful and with a business instinct, he benefited from a nascent but lucrative tourist industry. In Saragoza’s words, “as a cabinet member in 1930, Almazán had pushed the rebuilding of the antiquated, arduous

road linking Mexico City to Acapulco with the intent of nurturing the port's tourist possibilities. With this in mind, Almazán invested in real estate in the port city's beachfront, including the building of new hotels" (Saragoza, 2001: 103). During that time he owned the Hornos Hotel of Acapulco in which, according to Romero, most of the employees were members of the Mexican army (Romero, 1988a: 28). General Almazán also benefited from expropriation land policies carried out in Acapulco by general Castrejón, the then governor of the state of Guerrero. As was recorded by Ramírez, *ejido* (communal) land was sold to Almazán who paid 3 pesos per square meter, whereas the government paid 20 cents per square meter to the original owners. He, and president Ortíz Rubio, were shareholders of Compañía Impulsora de Acapulco (Ramírez, 1992: 10).

General Aarón Sáenz who, together with Abelardo Rodríguez, Alberto Pani (Secretary of the Treasury), Luis León and Puig Casauranc formed the inner circle of president Plutarco Elías Calles (Parkes, 1960: 390), was another example of the revolutionary transformed into millionaire. His close links with the dominant ruling group and, in consequence, preferential access to loans from government development banks proved to be crucial for his entrepreneurial success. He held several posts in the cabinets of Alvaro Obregón, Plutarco Elías Calles, and the three presidents of the *Maximato*: Portes Gil (1928-1930), Ortíz Rubio (1930-1932) and Abelardo Rodríguez (1933-1934). General Aarón Sáenz made substantial investments in the sugar industry, or more precisely, the sugar industry was his personal fiefdom, "his reward for having been a leader of the winning side in the revolutionary struggle" (Purcell, 1981: 216). He also had economic interests in steel, food products, and tourism (the famous Del Prado Hotel in Mexico City and a major airline company) (Hamilton, 1982: 89, 298). Alberto Pani

was not one of those generals who gained his revolutionary credential in combat. Trained as a general practitioner and engineer, his main contribution to the new postrevolutionary regime was that of organizing a financial and monetary system. His privilege position within the administrative apparatus and the *callista* clique would allow him to play a sensible and important role as facilitator of tourism development. Alberto Pani gave his support while in office (this time in the early 1930s) for the construction of two legendary hotels of Mexico City: The Del Prado, and the Reforma. Contrary to the tactless participation of other politicians in the tourist industry, he became a tourist entrepreneur after leaving his post as minister of Finance in 1933. In that year he came to be general director of Compañía Explotadora de Hoteles, and also founded Edificios Modernos, S.A., an enterprise which main aim was the construction of a 200 room hotel (Romero, 1988: 61, 62). According to Brandenburg, the precursor of the modern Mexican hostelry based on professional management, good food, and competent service to both repeat travellers and first callers, was the 1936 opening of Alberto Pani's revolutionary Hotel Reforma. In his words, "the highly respected Pani, several times finance minister of Mexico, lent considerable prestige to hostelry" (Brandenburg, 1964: 310).

In short, tourism as with any other economic activity came to be a domain through which officials occupying positions of public trust were able to make huge fortunes. Such a facet of the early development of the tourist industry in Mexico diffuses some light not only on the issue of class formation, but on a long considered feature of the Mexican political system: corruption (Morris, 1999: 623). Nevertheless, the politicisation of tourism contributed to both political stability and the well being of the national economy. As Hamilton has noted, "fortunes were... made in industries related

to tourism, which the postrevolutionary governments sought to encourage as a means of drawing funds into Mexico” (Hamilton, 1982: 85).

Early Organisation of Mexican Tourism

Between the 1920s and 1930s the Mexican government encouraged, although moderately, the promotion of tourism. It did not create holiday camps or resorts for working class families as the corporatist government of Perón (1943-1955) did in Argentina (Stepan, 1978: 94), but began to regard tourism as an agent of economic development. Government intervention was limited and mainly focused on providing the essential framework within which the nascent Mexican tourist industry would arise. However, state elites also supported tourism by building highways and providing some modest financial assistance to hotel construction. According to Molinero, incipient forms of organization of the tourist industry can be traced back to the 1920s (Molinero, 1982: 19), whereas Cooper Alarcón affirms that as early as 1929 there was some type of government planning of tourism (Cooper Alarcón, 1997: 177). Clancy points out that the Mexican government first recognized foreign tourists in the Federal Migration law in 1926 (Clancy, 1996: 104).

Both presidents Obregón and Calles sought to attract American visitors by establishing promotional campaigns with US travel agents and railway companies. It has been documented that during the government of president Calles the national railway company, *Ferrocarriles Nacionales de México*, entered into an agreement with the US rail companies Pan-American Union and Pullman (Romero, 1988: 103). Alberto Pani, minister of Finance first in the period 1924-1927 and later on in 1933, a man who

exerted considerable influence in the Calles government, realized the economic importance of tourism to the finances of the country and argued for governmental and private support. He played a significant role in the creation of the National Highway Commission (1925) which, funded with resources from a tax on petrol, was the agency charged with the task of building a large network of roads. For him, highway construction was essential if tourism development was to occur (1988: 49, 51). President Emilio Portes Gil created the Comisión Mixta Pro-Turismo in 1929 (Cámara de Diputados, 1966: 889), whilst a National Tourism Commission (Comisión Nacional de Turismo) was brought into existence in 1930. And nine years later, in 1939, the first National Tourist Council was formed (Secretaría de Turismo, 2001b: 4). In addition to the emergence of these agencies, the Population Law of 1936 stipulated that the Ministry of the Interior (Secretaría de Gobernación) was the government institution charged with the supervision of tourism (Villaseñor, 1992: 24-25).

Between the 1920s and 1930s state promotion of tourism was not exclusively limited to legislation and some kind of government organization. Like other productive activities, tourism benefited from the introduction of fiscal incentives and other measures oriented to promote economic growth. In essence, tourism as well as other productive sectors would benefit from a ruling elite that “injected the state into economic life on a broad scale” (Brandenburg, 1964: 75). For example, during the administration of president Abelardo L. Rodríguez the hotel sector was exempted from paying taxes (Moreno Toscano, 1969). Actually, the brief presidential term of Abelardo Rodríguez was characterized by the acceleration of the construction of modern hotels and public buildings, as well as offices and apartment houses, especially in Mexico City (Hamilton, 1982: 85).

President Cárdenas and business leaders were impressed with the potential of mass tourism for the economy when 8,000 international Rotarians met in Mexico City in 1935. In that same year 4,000 members of the international Lion Club attended a convention in Mexico City and, as stated by Romero, many of the participants in these events were accommodated in Pullman cars due to the lack of enough hotel rooms (Romero, 1988: 106). According to Cowan, after the Rotarian convention, government funding for facilities and promotional activities occurred (Cowan, 1987: 53). Actually, finance backing for hotel construction materialized when Crédito Hotelero initiated its operations in 1938. In his opening speech to the national congress in 1938, president Cárdenas stated that tourism should be backed because of its contribution to the country's balance of payments (Cámara de Diputados, 1966a: 87). Crédito Hotelero was created at the encouragement of Luis Montes de Oca, director of the Bank of Mexico during the administration of Cárdenas, and Alfonso Cerillo, the then manager of the Asociación Mexicana Hipotecaria (Mexican Mortgage Association) (Hamilton, 1982: 208). Through the establishment of a mortgage bank such as Crédito Hotelero the Mexican government channeled funds that private firms used for hotel construction. But in addition to this support, the administration of Cárdenas backed the tourist industry through the sale of road bonds which the Public Works Bank placed with the Bank of Mexico and private banks (1982: 275).

Tourism and National Identity in the 1920s and 1930s

The forging of Mexican tourism in the 1920s and 1930s was not only shaped by the material and financial assistance given by government institutions which saw in this

economic activity a source of attracting lacked foreign exchange. Tourism was also manufactured through the construction of an official discourse or narrative of the new nation which emerged from the revolutionary process of 1910. The revolution did not only affect political and social structures, it produced “an invigorating change in the national consciousness” which found expression, for instance, in the works of artists and writers (Parkes, 1960: 415). During the 1920s and 1930s state elites embarked on an ambitious cultural project in which the aesthetic expressions of the *indígena*, the colonial past, and the masses (*el pueblo*) were recaptured and depicted as the core of the Mexican. Such enlightened enterprise was expressed in archeological excavations and research, national and local museums, dance and musical displays, the publication of magazines, and the use of the radio. The minister of Education in the government of president Obregón, José Vasconcelos, encouraged Mexican painters to reflect the new national feeling in the walls of public buildings (Córdova, 1989:145). Authors like Rafael Muñoz, *Vámonos con Pancho Villa* (1931), Mariano Azuela, *La Luciérnaga* (1932), and Gregorio López y Fuentes, *Mi General* (1934) wrote some of the most representative novels of the genre of the Mexican Revolution in the 1930s. In that decade composers like Manuel M. Ponce, *Chapultepec* (1930), and Silvestre Revueltas, *La Noche de los Mayas* (1939), produced significant musical pieces by using popular culture and nationalism (1989: 150-151). In essence, the cultural depiction of monumentalism and folklore aided ruling elites in their manufacturing of “an imagined national community, that is the nation” (Aitken, 1996: 28). Thus, the process of state formation in postrevolutionary Mexico came to be more than the centralization of power and erection of bureaucratic institutions. It included a government orchestrated enterprise to define nationhood by valorizing indigenous culture (past and present) and elevating certain aspects of regional mestizo culture (Zolov, 2001: 237). As has been

said, it was precisely within this context of an intensely nationalistic cultural project that marked the state building efforts of the new postrevolutionary government, that the formative stage of tourism in Mexico took place (Saragoza, 2001: 91).

Nationalism was a hallmark of the 1920s and 1930s, a period when the foundations of the Mexican state were laid down, and the bases of the tourist industry were established. As Cooper Alarcón has noted, “the Mexican tourist industry... not coincidentally, has its roots in the nationalism of the 1920s” (Cooper Alarcón, 1997: 160). Having emerged in an ambience marked by the work of intellectuals and artists embarked on capturing “the spirit of the Revolution and the meaning of Mexican history” (Camp, 1984: 41), tourism took a supporter role in the process of forging a national identity. Government tourist advertisement published in magazines and posters, for instance, came to be a means by which aesthetic representations of Indian and mestizo culture were portrayed as “the principal components of a self-conscious ideology to define Mexican nationhood” (van den Berghe, 1995: 569). Images of pyramids, cathedrals, *charro sombreros*, and women in *china poblana* costume gave Mexicans a sense of national belonging, and lured Americans by offering a distinct experience. In the 1939 March edition of the magazine *Mexican Life*, an advert of the government owned National Railways of Mexico sought to attract American tourists to visit the country by showing a painting in which a traditional *fiesta* takes place in a quaint village. The ad says:

Come to Mexico Now. Escape the inclemencies of early spring and enjoy Mexico's eternal spring time. See Mexico during its gayest fiesta season... and remember that your American dollars are now five to one- that the moment you cross the border you are five times wealthier than you were before. You'll see America's most fascinating land –a land as ancient as Egypt... You'll revel in Mexico City's gay continental atmosphere... You'll be enchanted by the incomparable vistas and landscapes of Mexico's countryside, by the quaint picturesqueness of its rural life.
Mexican Life (1939) XV (3).

Though the Mexican government played the leading role in constructing an image of Mexico for tourist consumption, regional authorities, locally based societies, clubs, and private donors helped in this enterprise as well. In summary, by appropriating certain aesthetic forms to give an image of the country, tourism in the 1920s and 1930s “contributed substantively to the nationalization of cultural expression in Mexico and its projection outside the country” (Saragoza, 2001: 91).

Casinos, Brothels and Tourism

“Remove the menace of Tijuana and keep San Diego county a clean, safe, law-abiding community. Close the border dens of vice and drive out the lawbreakers who are operating them”

San Diego County Law Enforcement League. Representing at present twenty-four public welfare organizations. August 1921.

(Archivo General de la Nación, 1921: O-C, c. 168, exp. 425-t-7).

In the aftermath of the Mexican revolution tourism was in its infancy but it was not an unnoticed phenomenon to the political and economic elites of that time. In spite of the nascent character of this economic activity, there are interesting facets of its early development that need to be taken into account in order to get a true picture of the historical construction of tourism in Mexico.

It is noticeable, for instance, that foreign actors were involved in the making of tourism for some time before the outbreak of the civil war. In fact, prior to the Revolution of 1910, American capitalists, some of them in concert with Mexican elites, were establishing ranches, farms, banks, mines, bars, brothels, and casinos. According to Hart, a consortium of New York businessmen headed by architect Stephen D. Hatch set up the Mexico Land and Building Company in 1883. Through this firm Hatch took over the task of designing buildings for the Paseo de la Reforma (in Mexico City), “including

an elite hotel with an estimated construction cost of 500, 000 pesos” (Hart, 2002: 244). By 1901 American entrepreneurs Carl Withington, Baron Long, and James Coffroth, known as the “Czars of the Bars”, possessed nightclubs, gambling establishments, and brothels “along the border from the Pacific Ocean to Matamoros on the Gulf of Mexico” (2002: 255). Another acquisitions of Withington and his associates were the legendary Casino de la Selva in Cuernavaca, “a resort and watering place for the Mexican elite some fifty miles south of Mexico city, and the swanky Foreign Club in the national capital” (Ibid). By the time the revolution of 1910 ended, some American travellers began to explore Mexico, particularly visiting the frivolous and vicious population centers of the border region. Those who ventured south of the border, however, “were mostly a hodgepodge of drifters... writers, intellectuals, and artists” (Zolov, 2001: 237) who with their art and writings “began to alter the image of the Mexican revolution in the United States” (Hart, 2002: 367).

The border city of Tijuana has had a racecourse since 1916, and as I have mentioned other tourist attractions such as bullfights and gambling were established during the first decade of the twenty century. But in addition to the relatively peaceful atmosphere that the Mexican nation was experiencing after years of civil war, and some pastime amenities already installed, it was the US government decree prohibiting the production of alcohol that would have a great impact on the emergence of a local tourist industry in the northern Mexican border. Bringas points out that when in 1920 the US Congress enacted the Volstead law prohibiting the production and consumption of alcohol, American entrepreneurs involved in the gambling and alcohol industry turned their eyes to Tijuana, thus boosting tourism as the backbone of the economy of this border city (Bringas, 1991: 18). Actually, it was basically in the 1920s that the border city of

Tijuana became famous as a playground for Americans. This was the time when political-businessmen like Abelardo Rodríguez and his American associates, Withington and Allen Byers, opened a string of bars and brothels mostly in Tijuana and Mexicali. In 1923 president Obregón was informed of the involvement of men like Withington in the running of prohibited gambling in casinos such as the Tivoli and the Foreign Club in the state of Baja California (Archivo General de la Nación, 1923: O-C, c.168, exp. 425-t-7). Of those establishments, the Casino and Hotel Agua Caliente came to be known as the finest club of its kind in northern Mexico, attracting such distinguished clientele as West Coast celebrities Wallace Beery, Clara Bow, Jean Harlow, Rita Hayworth, and Al Jolson (Hart, 2002: 366). Working class visitors, sailors from the San Diego Naval Base, and the marines from Camps Pendelton and Matthews frequented less luxurious facilities.

Regardless of the premature condition of the tourism enterprise of those days, members of the ruling circle in Mexico were not unaware of the material effects that this incipient economic activity could bring to the well being of the nation. For instance, border crossing in the north led president Emilio Portes Gil to state in his opening speech to the national congress in 1929: *"The intense current of tourism that, in these last years, has been visited upon us, makes manifest the necessity that the Department (migration service) dedicate most of its attention to this new source of prosperity"* (Cámara de Diputados, 1966: 889). Prosperity from tourism in the 1920s provided the authorities of the frontier town of Tijuana with the economic resources to build its urban infrastructure (Bringas, 1991: 20). According to Hart, prior to the Mexican revolution American capitalists who owned gambling establishments and bars in the northern border were paying the local authorities between \$30, 000 and 60, 000 US dollars each

month for operating rights (Hart, 2002: 255). General Abelardo L. Rodríguez favoured the associates of the casino Foreign Club in Tijuana instead of the owner of the Southern Club in Mexicali, Mr. Pratt. The former casino could pay the government 50,000 pesos a month, whereas Mr. Pratt's establishment could only pay 25,000 pesos a month (Archivo General de la Nación, 1925: O-C, c.167, exp. 425-m-14).

Mexican Tourism in the 1930s

In spite of the road construction program initiated in the 1920s and its continuation under the administration of president Cárdenas (1934-1940), the motorway network was limited and prevented American tourists from visiting sites that were far away from the border. Lack of airports in various regions of the country meant that most of the international tourists visiting places away from the northern frontier, stayed mostly at the capital city. Nevertheless, by the 1930s Mexico was becoming an attractive place to visit in the region. Actually, during that time Mexico was competing with Caribbean nations, especially Cuba, for the American dollar. According to Schwartz, Cuban officials were so concerned with Mexican competition for the North American market, that they tried to revive the colourful spectacle of the bullfight as a way of luring US tourists (Schwartz, 1997: 98). The 1930s was also the period when American dominance of the bars and brothels of Tijuana ended, and Mexican entrepreneurs began to control both extremes of the entertainment industry (Hart, 2002: 367).

Tourism in the 1930s did not acquire a salient position in the national economy despite the fact that fortunes had been made in this industry. Interestingly, tourism did not achieve a prominent role in the politics of Mexican development of that time, although

important members of the ruling elite were notorious entrepreneurs in this economic venture. Though the Mexican authorities did not give all its attention and support to this productive activity, they were not unaware of its developmental features and sought to give some sort of backing to tourism in spite of their commitment to the erection of major public works such as dams and promotion of other key economic sectors such as agriculture. For instance, the economic priorities of the Cárdenas administration were the encouragement of industrialization and the advancement of agriculture by supporting the cooperatives of the *ejidatarios*, that is, owners of communal land. But giving support to the secondary and primary sectors did not prevent the Cardenas' administration from backing, at least moderately, the tourist industry. The creation of Crédito Hotelero, for instance, and the continuation of the road construction program initiated by Calles are clear examples that tourism came to be judged as a discreet but potential contributor to the well being of the national economy. Hence, despite the fact that the main aim of the road construction program of the 1920s and 1930s was to assist communication in the country, the tourist industry benefited. For instance, it was throughout the course of the government of president Cárdenas that the highway connecting Mexico City and Guadalajara was built. According to Jiménez Martínez, this motorway also linked the cities of Toluca and Morelia, enabling drivers to visit the thermal water spa of San José Purúa (Jiménez Martínez, 1993: 17-18). Additionally, stretches of the Pan American highway between Nuevo Laredo and Mexico City, and between Mexico City and Acapulco, were completed (Hamilton, 1982: 208). An editorial of the magazine *Mexican Life* in 1936 commented that the Laredo-Mexico City highway "makes Mexico accessible to countless automobile tourists from the United States" (Mexican Life, 1936: 11). Cárdenas, however, was not willing to support any kind of tourism expansion, and in 1935 he ordered the closure of the gambling

establishments in the country. This action greatly affected the economy of the border city of Tijuana which, at the same time, was enduring the effects of the derogation in 1933 of the Volstead law, the one which had prohibited the production and consumption of alcohol in US territory (Bringas, 1991: 20).

President Cárdenas sought to respond to the negative publicity launched by foreign oil companies which were affected when the industry was nationalized in 1938, by inviting American tourists to explore Mexico. The oil companies negative campaign against Mexico led some foreign visitors to cancel their trips to the country. In effect, whereas in 1939 a total of 139,000 tourists visited Mexico, in 1940 the number of international visitors dropped to 133, 200 (Secretaría de Turismo, 1990: 373; Jiménez Martínez, 1993: 18). Ironically, the new government-controlled Mexican oil company, PEMEX, participated in the promotion of auto-based tourism with its own promotional advertisements, guidebooks, and related material (Saragoza, 2001: 114). This publicity campaign aimed to encourage American drivers, the largest tourist market at that time, to visit Mexico and see first hand that the picture of the country published by the foreign oil companies was not the accurate one (Jiménez Martínez, 1993: 18). During a visit to the United States, the undersecretary of Foreign Affairs, Ramón Beteta, wrote a letter to president Cárdenas advising him to counteract the smear campaign about Mexico launched by foreign oil companies. This publicity attack divulged that Nazis and Stalinist elements were operating in Mexico, thus generating an atmosphere of political instability. From Beteta's point of view, these sort of rumours were affecting Mexican tourism and something had to be done to boost it (Archivo General de la Nación, 1940: LCR, c. 921, exp. 548/14). A month later, the private secretary of president Cárdenas was informed in a note from the ministry of Finance that USD \$10

thousand dollars were sent to the Mexican consul in New York for carrying out the tourist promotion propaganda conceived by undersecretary Beteta (Archivo General de la Nación, 1940a: LCR, c. 921, exp. 548/14). The *Club de Viajes Pemex* was not very successful in increasing the number of international visitors, but the mission of this *sui generis* bureau and the intervention of undersecretary Beteta demonstrate the extent to which issues related to economic self determination and international politics affected Mexican tourism in the 1930s.

State, Society and Tourism

In spite of the limited literature on tourism that covers the period between the 1920s and 1930s, there is at least enough information to support the claim that this was the time when the bases of the tourist industry in Mexico were established, and some of the basic contours of the subsequent politics of tourism were drawn. As I have already mentioned, it is important to bear in mind that this was also the period when the foundations of the Mexican political regime and state action were established. The process of state formation, however, took place in a context characterized by the weakness of the basic social classes, namely, the bourgeoisie and the proletariat. Consequently, and given the absence of a dominant class which could shape the political power of the state as it came to occur in classic capitalist patterns (O'Donnell, 1980: 718), the state and its personnel came to occupy a superior position in society. This important feature of the early formation of the Mexican political body, however, would influence the unfolding of tourism. In other words, though American capitalists and some local unions from the northern border were emerging as perceptible forces in the initial phase of Mexican tourism, the incipient march of this economic activity was

led by state institutions and their staff. To put it differently, in the early history of tourism in Mexico there was more “state” and less “society”. This is not to suggest that the state acted as an independent and autonomous actor which did not encounter any kind of opposition when “turning its own policy preferences into authoritative actions” (Nordlinger, 1987: 355). Not at all, but rather to recognize that between the 1920s and the 1930s the nascent Mexican state and its personnel played a leading role in the making of tourism. It should be taken into account, however, that the governing elite did not regard tourism a top priority. It came to be seen as a productive activity which merited some sort of promotion as a means of obtaining necessary foreign exchange. Moreover, the involvement of the state in the promotion of tourism in the years between the 1920s and 1930s was not organized. As Clancy has pointed out, “though various declarations did create government departments, councils and commissions charged with promoting incoming tourism, they enjoyed little prestige or financing. Each was soon replaced by a successor and each new public tourism body found itself being juggled from one cabinet level secretariat to another” (Clancy, 1996: 105). In short, though governments in postrevolutionary Mexico did not have some kind of national strategy or programme to support this economic activity, a nascent tourist industry emerged as a consequence of government action.

The ascendancy of the state over other societal forces has been a hallmark of the collective construction of the Mexican nation and its various institutions. Not only in the aftermath of the Mexican revolution but from the 1940s to the early 1980s, the state and its staff have played a forceful role in the forging of society. Such an influential role has been reflected, in one way or another, in the history of Mexican tourism itself. It is not a historical accident, for instance, that much of the evidence covering the interval

between the 1920s and 1930s mainly concentrates on the early manifestations of government assistance to tourism, and on the entrepreneurial role played by business politicians. And it is not surprising to confirm the absence of scholarly research on the limited but real contribution made by other actors such as entrepreneurs and workers in the construction of Mexican tourism. It is the case that apart from the work of Romero, especially volume five of his *Enciclopedia Mexicana del Turismo*, scant attention has been paid to the role of entrepreneurs in the making of the tourist industry in Mexico. Despite the fact that some of the current private associations of the tourist sector were founded as early as in the 1920s, there is a lack of information regarding the influence of business men in the forging of tourism. This is the case, for instance, of the Asociación Hotelera de la Ciudad de México (1925), and the Asociación Mexicana de Turismo (1928) (Molinero, 1982: 19; Romero, 1988: 105). According to Saragoza the private sector contributed to promote Mexican tourism. He has recorded, for example, that “El Aguila cigarette company published a guidebook, with the authorization of the government’s tourism department, entitled *Along the Road of Romance Land* in 1939 (Saragoza, 2001: 113). Between the 1920s and 1930s the two most important of present day Mexican air companies were founded with private capital. Compañía Mexicana de Aviación (today, Mexicana) was established by two business men, Mallory and George L. Rihe, in 1924. And Aeronaves de México, (today, Aeroméxico) was formed by entrepreneurs in 1934. By the mid 1940s, Pan American would have 45 percent and 40 per cent of the shares of both companies (Romero, 1988: 225, 240; Jiménez Martínez, 1993: 19).

The literature available is also notably uninformative of the role played by trade unions or workers in the making of Mexican tourism. The work of Carrillo, however, casts

some light on the nationalistic content of the political struggle deployed by Mexican workers in the border city of Tijuana in the 1920s (Carrillo, 1991). He points out that as early as 1921 local people working in some tourist establishments such as the Casino Foreign Club, Hipódromo, and Casino Agua Caliente were forming the first trade unions (1991: 125). One of the central issues around which the political struggle of these organizations centered was the reluctance of American entrepreneurs to employ Mexicans in their businesses. According to Gómez, American nationals filled those job positions such as barman, waiter and musician. Client's language and racism prevented Mexicans from getting a job in the casinos and brothels located in the northern border (Gómez Estrada, 2002: 161). The then governor of Baja California, General Abelardo Rodríguez, who was also a businessman of the tourist industry, supported the creation of trade unions and their demands for an increase in wages and the hiring of Mexicans. Even in the Casino Agua Caliente which was owned by Rodríguez and his American associates Coffroth, Bowman and Long, 90 per cent of the employees were foreigners from San Francisco, Los Angeles, and San Diego (Ibid: 125-126).

In summary, in spite of the limited and dispersed information on the evolution of tourism in the 1920s and 1930s, it is clear that the erection of this economic activity was to a great extent carried out by public figures closely related to the state apparatus. The politics of the social construction of Mexican tourism, however, is not complete if the contribution of other interests such as entrepreneurs and workers is left aside. In essence, although tourism was in its infancy, it became evident that the profitability of this new source of prosperity proved to be a robust factor attracting "the avarice and ambition of powerful political actors" (Saragoza, 2001: 95), and the vicious and rapacious drive of American capitalists. Though less influential than local political

elites and foreign economic interests, workers, particularly those of Tijuana, contributed to the unfolding of tourism in postrevolutionary Mexico by adding a nationalistic content to the labour structure of the industry, and hence to the politics of Mexican tourism.

Conclusion

By the time the Mexican revolution (1910-1917) had ended, the productive machine of the country was devastated and political instability was a common feature of the day. It was imperative to draw and lay the foundations of a new beginning and leave behind years of civil strife. In the aftermath of the revolution the governing group realized that the only way to bring stability and restore the productive apparatus of the country was by strengthening the political and economic capacity of the state. Thus, between the 1920s and the 1930s, and spite of the differences among leading figures of the ruling circle (particularly presidents Calles and Cárdenas), a process of physical and institutional reconstruction commenced. Such material and organizational fabric would be a sound base upon which major transformations in the economic and social realm of the country would be carried out. The pressing need of centralizing power and building a development edifice to construct infrastructure and support both agriculture and industry, did not mean that national leaders were unaware of the material rewards a nascent venture such as tourism could bring to the national economy. Actually, during this period tourism came to be viewed as a means of attracting needed foreign exchange, and as a way of constructing an image of the Mexican nation by which American tourists could be lured.

Though the unfolding of Mexican tourism in the 1920s and 1930s was assisted by government policies, business-politicians and American capitalists played an important role in establishing the bases of the country's leisure industry. Tourism proved to be, after all, an attractive enterprise which tempted the greedy drive of governors, cabinet members, and entrepreneurs. Essentially, Mexican tourism came to be a space where the interests of state elites and capitalists intermingled. By acquiring such a character, tourism development in the 1920s and 1930s is one medium which exposes some of the workings of a political class committed to the institutionalization and centralization of power. Furthermore, tourism in postrevolutionary Mexico exhibits the mode of operation of a ruling coalition in support of domestic capitalism by constructing roads, promoting commercial agriculture or communal forms of rural production, nationalizing foreign enterprises, and giving fiscal and finance assistance to the construction of hotels.

In the next chapter I look at the forces and circumstances shaping the expansion of tourism between the 1940s and early 1950s. It was in this second stage that Mexican tourism would get a powerful push, particularly through the promotion of the resort of Acapulco. The period of the 1940s and 1950s is of central significance for this thesis, given that it illustrates the deepening, and widening implications of the politics of tourism in Mexico.

Chapter VI

The Second Stage of Mexican Tourism. From the 1940s to the early 1950s

Introduction

In this chapter I illustrate the way in which networks of power and economic factors led Mexican state elites to use tourism as an useful device for modernizing the country. If in the period of the 1920s and 1930s the ruling class was not unaware of the material gains that tourism could bring to the national economy, by the mid 1940s government officials began to see tourism as a valuable developmental tool which could support wider state aims such as industrialization. The primary goal of the ruling group of the time, particularly president Miguel Alemán (1946-1952) and his team of young technocrats, was to achieve a high growth rate through industrialization, and tourism came to be regarded as a valuable means to get the foreign exchange that a process of such magnitude required. As a matter of fact, national public figures like Alemán “began to promote tourism development with unprecedented enthusiasm” (Cowan, 1987: 76).

Government support of the tourist industry between the 1940s and 1950s coincided with a gradual process of transformation of the Mexican society by virtue of which the nation was becoming more urban and industrialized, that is, more modern. Members of the new governing circle embarked on such modernizing endeavour, however, by giving the state a commanding role in the economy and extending its involvement in various productive activities (including tourism). But the aspiration of transforming a traditional

or semi-developed country into a modern and technologically advanced nation would be facilitated, after all, by a political and development edifice by means of which high rates of economic growth were achieved and social order maintained. In short, between the 1940s and 1950s, leaders like Manuel Avila Camacho (1940-1946) and Miguel Alemán, used the institutional mechanisms of political incorporation and control erected by Cárdenas, in order to contain unrest and alleviate the costs of the process of economic transformation.

In spite of the developmental character that tourism began to acquire, the expansion of this service activity was also shaped by such factors as the U.S. geo-strategy of forming political alliances with Latin American nations at a time when fascism in Europe was a major threat. Crucial in this U.S. foreign policy was the production and distribution of print, radio, and film propaganda, which would ultimately influence Mexican tourism. Actually, a core part of the Good Neighbor policy¹, as president Franklin D. Roosevelt's policy of forging geo-political alliances with Latin American countries was known, was the use of the media, especially of cinema. In essence, World War II and the Hollywood movie industry helped the development of Mexican tourism. The latter, however, was not only moulded by foreign politics but by critical institutions of the Mexican state such as a strong presidency. The personal drive of president Miguel Alemán, for instance, was decisive in the growth of the tourist industry. As a matter of fact, presidential blessing played a leading role in the transformation of Acapulco from a small town to the cosmopolitan hallmark of the new government tourist strategy. Political leaders like Miguel Alemán sought to present Mexico as a modern nation

¹ The origin of the term can be traced back to the beginning of the Roosevelt administration. In fact, in his first Inaugural he declared in 1932, "In the field of world policy I would dedicate this nation to the policy of the good neighbor –the neighbor who resolutely respects himself and, because he does so, respects the rights of others- the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors" (Greer, 1958: 158).

because of its industrial capacity and its tourist profile. The latter, after all, meant a friendly and picturesque land of *charros*, pyramids and world class beach resorts. However, the modernizing state project of an industrial and tourist luring nation, went hand in hand with increasing social inequality and political authoritarianism as a constant characteristic of the Mexican road toward development.

In summary, tourism development between 1940 and the early 1950s was the end result of a chain of economic and political factors around which the state-led project of a modern Mexico progressed. The expansion of Mexican tourism during that time can not be fully understood without taking into account world relations of power, the use of the media, the workings of the political system and the leverage exerted by some members of the ruling class, in particular president Miguel Alemán.

Politics and Economic Modernization

It is not my intention to recount the most important economic and political events of an era when Mexico embarked on the arduous enterprise of transforming itself into a modern industrial nation. But it is necessary to examine the manner in which the period of the 1940s and 1950s came to shape the unfolding of tourism. To come to the point, I seek to briefly examine the historical background of the interaction of political and economic forces permeating the construction of Mexican tourism. Hence, by taking into account world affairs, national agendas, local histories and bargains molding the use of state power, the development of tourism in Mexico is disentangled. It is only within this broad context that the politics of tourism development in Mexico can be grasped. In

doing so, however, essential features of the historical formation of the Mexican polity are displayed.

The early beginnings of Mexican tourism took place between the 1920s and 1930s, a period when the roots of the modern national state were established. The take off of tourism in Mexico, however, occurred during the 1940s and the first years of the decade of the 1950s, an era when the country undertook major steps of its industrialization program. By that time the polity of the country had gained a considerable degree of stability. The solidity of the Mexican political regime, after all, would ease the state elite's effort to make the country a modern industrial nation. In other words, social peace and order were essential factors if prosperity and economic growth were to be achieved. This absence of serious disorder was exemplified by new procedures averting violent succession of power at all governmental levels. It can be argued that by the 1940s, for instance, presidential succession did not invite military rebellion anymore. González Casanova has noted that *Caciquismo* had disappeared as a national system of government (González Casanova, 1970: 33), though it is more accurate to say that *cacicazgos* had to operate within the new social and political order forged between the late 1920s and the 1930s. In essence, whereas *cacicazgos* such as that of Saturnino Cedillo in San Luis Potosí lacked an institutional infrastructure, the new regional bosses worked within a framework which, after the rise of Cárdenas to power in 1934, became distinguished by greater political centralisation and institutionalisation (Pansters, 1990: 166, 168). Despite the fact that traditional structures of power were not completely removed, the creation of the party which Calles brought into being and its organization along corporatist lines under Cárdenas, came to assist Mexico's economic burgeoning. In a few words, the formation of political institutions such as the semi-official party

meant that future national leaders would be relatively relieved from the menace of associated social disturbances when advancing the overriding project of modernizing the economic structure of the country. Hence, since 1940 successive national figures – all of them members of the PRM or PRI ruling circle- have advanced major decisions about investments, allocations of resources and so on, by operating in a political environment relatively free of major threats to the systems' stability.

Though the election of 1940 by which the PRM candidate Manuel Avila Camacho became president (1940-1946) was not that tranquil, no grave menace was posed to the solidity of his government at any time. National unity and conciliation among social classes were elevated as to be the supreme political principles of an administration faced with an international climate dominated by war (Garrido, 1986: 388, 390; Valadés, 1985a: 1). Further, if world conflict made national cohesion imperative, the supreme venture of remodelling Mexico along the lines of a modern industrial country called for social harmony. For instance, the likelihood of labour conflict to occur was reduced when various unions, including the CTM (*Confederación de Trabajadores de México – Confederation of Mexican Workers*), signed the *Pacto de Unidad Obrera* in 1942 (Reyna & Miquet, 1976: 53). Through this pact, labour organizations such as the CTM, the Mexican Regional Labor Confederation (CROM), the General Confederation of Workers (CGT), the National Proletarian Confederation (CPN), the Confederation of Mexican Workers and Peasants (COCM), and the Mexican Electrician's Union agreed to avoid strikes, limit wage demands, and increase productivity during the wartime emergency (Middlebrook, 1995: 111). Moreover, the most powerful labour organization, the Confederation of Mexican Workers, abandoned its Marxist position of class struggle and became determined "to function within the framework of the

nationalist orientation of Mexico's social revolution collaborating with the government and with industry for the economic development of the country" (Padget, 1966: 93). When Miguel Alemán (1946-1952) rose to the apex of national power the former semi-official Partido de la Revolución Mexicana (PRM) was reorganized and changed its name to Partido Revolucionario Institucional (Institutional Revolutionary Party-PRI) (Medina, 1979: 76); the communist party was outlawed (Martínez, 2004: 131); and organized labour leadership was purged of left wing influence (Córdova, 1989: 282; Medina, 1979: 112, 132). As maintained by Middlebrook, Alemán's administration was distinguished because of its conservative labour policies, in particular "the government's efforts to restrict the right to strike and its pursuit of economic policies that seriously eroded workers' living standards" (Middlebrook, 1995: 107). In essence, with the advent of Miguel Alemán to the presidency the political regime was becoming more authoritarian and control from above over labour, peasant, and other urban popular organized movements was reinforced.

Since the 1940s cooperation between the Mexican government and corporatist associations affiliated to the PRI such as the CTM, the National Peasant Confederation (CNC), and the National Confederation of Popular Organizations (CNOP) has assisted the implementation of public policies. Medina argues, as a matter of fact, that since the second half of the 1940s, trade unions such as the CTM embarked on a process of close collaboration with government which translated into greater acceptance of official economic policies by the worker's organization (Medina, 1979: 130). This conciliatory stance was also embodied in the internal functioning of the official labour movement. For instance, in the IV National Congress of the CTM (1947) this labour confederation disregarded the general strike as a trade union strategy (1979: 132). All in all, a less

belligerent working class movement aided political stability by reducing the level of radicalism in the rank and file. It should be noted that the real income of the poor had been adversely affected by chronic inflation since 1940. Actually, between 1941 and 1946 the annual rate of inflation averaged 17.8 percent per year, and in the same period real minimum wages fell by 28.9 percent (Middlebrook, 1995: 114). By 1950, 50 percent of the population only obtained 18.1 percent of the national income (Torres, 1984: 54). Thus, the political disturbances associated with the growing inequalities in income distribution that accompanied the first stages of a rapid process of industrialization in Mexico, were ameliorated by the functioning of urban and peasant associations organized in conformity with corporatist structures and practices. Such particular working of the party machine and its associated groups came to mitigate conflict by dispensing patronage from the top down to members of the different organizations in accordance with their relative strength within a given locality (Purcell & Purcell, 1976: 353). As has been put by Cockcroft, “leaders of urban labor’s CTM and rural labor’s CNC lined up with the official political party not only to obtain political benefits or influence, but because they recognized that the party had the state behind it –and the state was a pivotal source of whatever economic benefits were to be granted to either labor leaders or rank-and-file proletarians” (Cockcroft, 1983: 154).

Cooptation and control of *ejidatarios* (peasants) through their incorporation into the CNC, for example, would be decisive to explain much of the growth of diverse beach resorts in the Mexican Pacific coast. In the end, state tutelage of peasant organizations and its power to expropriate land would ease the expansion of tourism. In effect, *ejidatarios* entered into a relationship of clientelistic dependence which entailed “the outright loss of *ejidal* land, especially in zones where land values were boosted by

tourism (e.g. Guerrero)...” (Knight, 1990: 74) Hence, the state faculty to redistribute vital resources such as land, however, would not lead to serious disorder because of the political stability provided by corporatist mechanisms of representation and cooptation. In essence, such diverse paths of economic modernization as industrial promotion, expansion of commercial agriculture or tourism development, were all pursued by a ruling group devoted to keeping social and political conflict low by trying to recruit and incorporate as many elements of society as possible.

Tourism and the Good Neighbor Policy

Mexican tourism began to expand in the 1940s due to the government's desire to accumulate much needed foreign exchange which could be used to finance its programme of industrialization. During this period the capital city and particularly the port of Acapulco came to play a dominant role in the construction of Mexican tourism. But exogenous factors should also be taken into account for explaining the advancement of tourism in the 1940s. During the course of the Second World War, for instance, American tourists stopped going to Europe and found in Mexico an alternative and peaceful place to visit. In a letter that the private secretary of president Cárdenas, Agustín Leñero, wrote to Mr. E.H. Dignowity, director of the Daily New Deal, it is remarked that “present circumstances in Europe have diverted a large U.S. tourist flow towards our country...” (Archivo General de la Nación, 1940b, LCR, c. 921, exp. 548/14). In 1941, president Manuel Avila Camacho declared to the congress that the international exchange rate and unsafe circumstances had induced an increasing number of tourists to go to Mexico (Cámara de Diputados, 1966a: 153). In effect, during that period the country was perceived as “an oasis of stability and a place of refuge”

(Calvert, 1973: 284). King Carol of Romania found shelter in Mexico as well as waves of exiles from occupied France. In 1943, 706 Polish people had been given refuge in the state of Guanajuato (Cámara de Diputados, 1966a: 244).

The danger of a belligerent situation in Europe, however, was not the only factor which benefited an infant tourist industry in Mexico. As was shown in chapter II, international politics, especially hemispheric cooperation, came to be a decisive factor in the expansion of tourism in Latin America. The Good Neighbor Policy of American president Franklin D. Roosevelt, which was a new U.S. continental strategy for building cooperation and foiling enemy penetration, came to play a powerful role in the unfolding of tourism in the 1940s. As Schwartz has argued, president Roosevelt was well aware of the political significance of tourism and he and his advisers “reasoned that the tourist stream could be diverted to the Americas to strengthen hemispheric ties” (Schwartz, 1997: 105). In other words, on the eve of World War II, a U.S. administration worried by the prospect that a dissatisfied and critical Latin America could become a fertile ground for fascism (Matthews, 1963: 136) sought to remove the threat posed by German Nazism and Italian Fascism by animating inter-American trade and encouraging its nationals to visit neighbor countries south of the *Río Bravo*. For the Americans tourism not only came to be a means by which needed U.S. dollars could be channelled to the economies of Latin American nations, but was also a way of providing American military forces with the infrastructure that war time required. According to Moreno Toscano, the air company Pan American played an important role in the renovation of commercial airports and construction of U.S. military bases in Brazilian cities Natal, Recife and Belem (Moreno Toscano, 1971: 79). In fact, U.S. president Roosevelt declared 1940 “Travel Year America”, and urged completion of the long-

planned Pan American highway (a vital transportation artery in the event of war) as a stimulus to the inter-American tourist trade (Schwartz, 1997: 106).

By 1941 war in Europe was taking an adverse course and armed conflict was spreading into Asia. This situation prompted the American government to settle the major outstanding problems it had with neighbouring Mexico, such as the compensation to oil companies affected by the 1938 nationalization, and commenced a series of agreements that would bring closer cooperation and collaboration between the two nations (Schmitt, 1974: 185-186). In Hart's words, "U.S. government officials, concerned with the rising threat of Germany and Japan, sought every means at their disposal to maintain friendly relations with their southern neighbor (Hart, 2002: 398). Although the plan of building American naval bases on the Mexican Pacific coast did not materialize, in April 1941 the two governments signed a treaty by which the landing of their aircraft in each other's airfields was allowed (Schmitt, 1974: 186). The national legislature was informed of this treaty by the president when he delivered his annual speech to the congress in september 1941 (Cámara de Diputados, 1966a: 156). One year later, the Mexican government authorized American personnel to build the Cozumel airport in what is, today, the state of Quintana Roo (Dachary & Arnaiz, 1985: 8). In short, the development of Mexican tourism in the 1940s was assisted by the U.S. geo-strategic objective of constructing a needed hemispheric alliance due to the threat posed by fascism and world armed conflict.

Illustrative of the Pan-Americanism and Good Neighbor policy which permeated the relations between Latin American nations and the United States was the position taken by the Mexican government with respect to tourism. Actually, Mexican president

Manuel Avila Camacho (1940-1946) saw tourism as another instrument by which the collaboration between Mexico and the United States could be strengthened. He declared to the national legislature in 1941: "Tourism has been considered as a source of economic income and as a means for the development of Inter-American cooperation" (Cámara de Diputados, 1966a: 153). It should be noted that in that year, the International Pan-American Congress of Tourism was celebrated in Mexico. The first meeting had been celebrated in the U.S city of San Francisco, California, in 1939 (Jiménez Martínez, 1993: 20). Another event which would help to channel the flow of tourists towards Mexico, particularly from the United States, was the holding of the annual meeting of the influential American Society of Travel Agents (ASTA) in the capital city in 1949. Schwartz has noted that this gathering "boosted Mexico's tourism after inspired travel agents returned home and sold the country's attractions to their clients" (Schwartz, 1997: 161). All in all, international diplomacy and collaboration permeated both the growth of the Mexican tourist industry and the tourist himself. Such political atmosphere is clearly displayed in a letter that an American professor wrote to president Manuel Avila Camacho in 1942,

"Your excellency: the courageous attitude of your country in the present world crisis and its notable stand by the side of the United States in defense of democracy has aroused an unbound enthusiasm and friendship for Mexico and the Mexican people throughout our country... Recently several students... requested me to arrange and escort a large party of our students on a tour of Mexico during the coming summer, June and July. They would travel by bus and would visit Veracruz, Acapulco, Tampico, Morelos and other cities after spending two or more weeks in Mexico city." (Archivo General de la Nación, 1942, MAC, c. 804, exp. 548.2/1).

World Politics, Cinema and Tourism

The promotion of tourism and forging of hemispheric ties between Latin American nations and the United States was also assisted by the use of the mass media. It was during the period of World War II that American films such as *Viva Mexico*, *Highway to Friendship*, *Gaucha Sports*, and *Cuba: Land of Romance and Adventure* were produced. As Schwartz has argued, through entertaining films such as *That Night in Rio*, *Carnival in Costa Rica*, and *Holiday in Mexico*, the U.S. government delivered its wartime message and made some viewers “head south of the border as soon as the war ended” (Schwartz, 1997: 106-107). As an American national put it, “when the war’s over we are going to take a real vacation, and get to know Latin America...” (Vogt, 1945: 19). Hollywood movies were not the only ones by which the anti-Axis collaboration of the Good Neighbor policy and expansion of tourism were facilitated. Intense U.S.-Mexican cooperation in the film sector gave rise to the Golden Age of Mexican cinema and, in consequence, to the Latin Americanization of the wartime propaganda of the United States government. In effect, in spite of the distribution of prowar/Pan-American, Hollywood, and U.S. government produced films, the most ambitious project of the Motion Picture Division of Nelson Rockefeller’s Office of the Coordinator of Inter-American Affairs (OCIAA), was the modernization of Mexico’s film industry as a way of developing a “culturally authentic entertainment as political propaganda for the Spanish-speaking Americas” (Fein, 1998: 406).

Close economic and political relations with the United States were not the only issues to be represented by Mexican cinema during the Second World War. As in the period of the 1920s and 1930s, the new Mexican film production depicted old and novel

representations of Mexico and its people through which the country was marketed as a tourist destination. In *Los Tres García* (1946), for instance, the macho *charro* character played by Pedro Infante encounters two U.S. motorists, a blonde *gringa* and her father, who were passing through his provincial town. The obstreperous Pedro Infante praises Pan-Americanism and cheers the increasing accessibility of U.S. women that the new harmonious relationship with the United States implies. As Fein argues, the encounter with the two supposed tourists represents the commodification of Mexico for the more prosperous, car-owning U.S. masses, whereas Mexico's dependence on the U.S. economy is symbolized by the rise of tourism (Fein, 2001: 159-160). Though American perception of Mexico had not eradicated derogatory stereotypes such as the country's incapacity for social progress and backwardness, Americans began to see its neighbor country, particularly Mexico City and such rising provincial tourist sites as Taxco, Guanajuato, and Acapulco, in a more positive way (Zolov, 2001: 234). Two U.S. travellers wrote a letter to president Manuel Avila Camacho in which they expressed their impression of a recent trip made to Mexico. "During our stay we were able to come and go as we saw fit and covered about 5000 miles of highways and by-ways and during that time were accorded every hospitality possible for a people to offer a stranger" (Archivo General de la Nación, 1942a, MAC, c.804, exp. 548.2/1).

The subtle political use of mass media, especially of cinema, came to assist U.S. war propaganda, the expansion of Mexican tourism and, in the end, to refashion the image of Mexico. Actually, the film program can be conceptualised as a cultural space which, in Gramscian terms, "contributes to sustain a conception of the world or to modify it..." (Gramsci, 1971: 9). Thus the appearance of leading Mexican stars like Dolores del Río and María Félix alongside Betty Grable and Jane Russell, was more than a symbol of

the Golden Age of Mexican cinema, it represented the political realities of a new relationship between the United States and Latin American countries such as Mexico. In the end, film was a medium through which collaboration between the U.S. and Mexico was manifested. Additionally, such cooperative work between the U.S. culture industries and Latin American bureaucracies helped Americans to gain an acceptance in neighbouring territories which were depicted as friendly. Film producer James A. Fitzpatrick commented when visiting Mexico in 1943, “you can not imagine the success that the movies I have shot in Mexico are having in the U.S. They give a glimpse of the many facets of Mexican life...” (El Nacional, 1943: 1, 2, 6). One of the men credited for the success of the media blitz of the Good Neighbor policy was Nelson Rockefeller, the head of the office of Coordinator of Inter-American Affairs (OCIAA) between 1940 and 1945. President Avila Camacho recognized the valuable support given by Rockefeller to the growth of tourism in Mexico. When addressing the national legislature in 1943, he said that Mexico had benefited from international tourism due to the promotional activities launched by the U.S. Coordinator of Inter-America Affairs (Cámara de Diputados, 1966a: 244). In that same year, president Avila Camacho awarded Aztec Eagles, the highest award that the government can give to a foreigner, to the OCIAA, Walt Disney, James A. Fitzpatrick and Louis B. Mayer of MGM Studios for their contribution to hemispheric solidarity (Niblo, 1999: 334-335; El Nacional, 1943a: 8). When receiving the decoration Louis B. Mayer stated that, “we will not forget the support which Mexico has been giving to us. We now that in the future we will have to help Mexico and its industry. This is the least thing we can do for an ally which has been so close to us” (El Nacional, 1943: 6).

This mass communication effort would also pave the way to the creation of a new Mexican look. In effect, from the media project of the Good Neighbor policy would follow an attempt to construct an image of Mexico resting on the propaganda of a modern industrial nation which had not lost its exotic and folkloric charm. Thus, government advertising campaigns² would seek to lure tourists by portraying Mexico as an emerging and friendly cosmopolitan nation which offers both up-to-date comfort and tradition. In the 1940s, the government owned oil company Petroleos Mexicanos did its part to attract U.S. visitors. In the 1946 January edition of magazine Mexican Life, a fragment of the catchword was, "Exotic customs and beautiful surroundings, music, color, comfort and hospitality. Where the modern and the old set up beautiful contrasts and life seems to move leisurely. Come over its completely paved highways of magnificent scenery and drive free of care by using Mexolina..." (Mexican Life, 1946). Obviously, this image of Mexico did not portray facets of life in the slums where the so-called humble and needy lived. Modern buildings and other signs of contemporary urban life were depicted at the same time as any evidence of underdevelopment or backwardness was suppressed. Those were the years when, working in the National Directorate of Cinematographic Affairs, writers like Carlos Fuentes and Juan Rulfo were censoring any picture which did not preserve Mexico's good image. In Poniatowska's words, "censorship consisted of shouting *cut* each time a scrawny dog walked on the set because its presence denigrated Mexico" (Poniatowska, 2001: XIV). In essence, the picture of Mexico to be consumed by the tourist market came to be deliberately composed of friendly *mariachis*, beaches, pyramids and cosmopolitan grandeur.

² In spite of the lack of information with regard to the cost of this government publicity effort, between the late 1930s and the decade of the 1940s diverse travel posters and related material sought to improve Mexico's image and attract U.S. visitors. For an interesting analysis of the discourse and representation of the various facets of Mexico portrayed in the travel promotion of that time see Saragoza (2001).

Industrialization and Tourism

By 1940 the new Mexican leadership, particularly president Manuel Avila Camacho, was committed to the modernization of the country. A modern Mexico, however, came to mean an industrial nation which would be financed by the export production of a renovated agriculture sector. In consequence, and in contrast to the re-distributionalism of the *cardenismo*, communal land (that is, *ejido* land) would not be the only agricultural unit to be supported by the government. On the contrary, financial and technical assistance would primarily back small and medium size private holdings. In effect, in 1941 the president declared in his annual speech to the congress that these estates would be protected from future expropriations (Cámara de Diputados, 1966a: 167). If president Cárdenas had launched an aggressive land distributive programme, the new government regarded that the agricultural sector of the economy should be structured along new principles (Ibid). Hence, while 20 million hectares were distributed under *cardenismo*, the distribution of land between 1940 and 1946 amounted to 5.9 million hectares (Córdova, 1989: 218-219). Commercial agriculture, rather than *ejido* (communal) forms of production, was seen as the most dynamic sector of the Mexican countryside.

The administration of Avila Camacho led the country towards industrialization and extended the public sector into various industries “without undoing a single reform of the Cárdenas era” (Blair, 1964: 211). Actually, with the key oil industry under state control (Hamnett, 1999: 255) and because of the class war stability brought by the corporativist structure of the *cardenismo* (Cockcroft, 1983: 145), capital accumulation

after 1940 accelerated. Annual average rate of growth of gross product during the 1940s, for example, was 6.7 per cent (Reynolds, 1970: 36). In other words, the industrialization venture moved faster because of the social and political foundations, and the developmental and administrative capacity laid down by postrevolutionary governments in the 1920s and 1930s. Moreover, the manufacturing of a new crop of political and developmental institutions and the reformism of president Cárdenas, "had sufficiently loosened foreign controls over the economy to permit the Mexican bourgeoisie and state to begin to assert some influence or control over key parts of the economy, especially in minerals, tourism, light industry, and economic infrastructure" (Cockcroft, 1983: 151-153). When Avila Camacho took office in 1940 and began to place more emphasis on the need to industrialize, agriculture represented 18 per cent of the Gross Domestic Product, and industry 19 per cent (Gollás & García Rocha, 1976: 407). For him, industrialization was the most effective means to foment the economy and to elevate the well being of the people (Cámara de Diputados, 1966a: 285). Mexico, which had the image of a semi-industrial and a semi-commercial peasant society, had a population of 20.2 million people. Two thirds of the country's labor force was employed in agriculture, whereas 13 per cent was occupied in industrial establishments (Gollás & García Rocha, 1976: 407).

The entry of the United States into the Second World War led to a demand for Mexican exports, especially manufactures. According to Vernon, whereas textile products had been less than 1 per cent of the country's exports in 1939, they represented 20 per cent by the end of the war. Other exports such as manufactured food, drink, tobacco, and chemicals were insignificant in 1939, but they made up another 8 per cent in 1945 (Vernon, 1963: 95). On the other hand, the war and the consequent shortage of

manufactured imports (in particular consumer goods) (Córdova, 1989: 216) gave the administration of Avila Camacho the opportunity to encourage domestically-produced manufactures. In effect, given that the American productive machine, and that of other nations, was fully committed to the war effort, the supply of goods from foreign countries dwindled. Government and private elites realized the benefits which could be gained “by restricting imports of goods that could be produced locally and at the same time facilitating imports of capital goods” (Izquierdo, 1964: 243). Hence, at the beginning of the 1940s the administration of Avila Camacho embarked on an import-substitution industrialization (ISI) strategy (Clancy, 1996: 81-82; Carrillo Flores, n/d: 40).

Government policy assisting industrialization comprehended the provision of tax exemptions to national manufacturers, the channelling of credit toward industry through the state development bank, Nafinsa (Cámara de Diputados, 1966a: 162), and the erection of barriers to foreign goods (particularly consumer products) through the introduction of import controls and higher tariffs. Some of these measures were incorporated, for instance, in the first Law of Manufacturing Industries of 1941, and the Law for the Development of New and Necessary Industries of 1946 (Cline, 1962: 232-233; Cámara de Diputados, 1966a: 170). Indicative of the new leaders’ proposition that industrial growth on the modern pattern was indispensable for Mexico (Vernon, 1963: 88), was the dominant role that Nafinsa came to play as a powerful instrument for the promotion of the national economy by the early 1940s. Even though during the Cárdenas period Nafinsa made industrial loans and operated in the field of agricultural land credit, the institution was not extensively used. However, with the arrival of Avila Camacho to the executive office of the nation, the promotion of industrial development

was to become the principal focus of Nafinsa. The entrepreneur character of this development agency was reinforced with the enactment of its organic law in 1941 (Cámara de Diputados, 1966a: 162). In 1942, for example, “Nafinsa took a minority interest in Altos Hornos de México, S.A., destined to be Mexico’s largest steel company” (Vernon, 1963: 96-97). If during the war years Nafinsa had mainly bought stocks or bonds in iron and steel, electrical appliances, sugar, paper, and fertilizers, the institutions’ credits also helped to finance cement manufacture (necessary for highway), national bus lines, and a water supply for the city of Acapulco (Blair, 1964: 213, 215).

Largely a post-World War II phenomenon, the growth of the tourism industry in Mexico coincided with the continuation of government policies which had been supporting industry and commercial agriculture. The administration of Miguel Alemán (1946-1952), for instance, kept on protecting Mexican industrialists by establishing import quotas and licenses. He, as the previous president did, favoured commercial rather than *ejidal* holdings in agriculture. According to Niblo, the number of *ejidatarios* who benefited from the land reform fell from 54,678 in 1940 to a low of 9,092 in 1948 (Niblo, 1999: 4). In effect, Alemán distributed only 5.4 million hectares in his six year presidential term (Córdova, 1989: 219). In addition to the deceleration of the rate of distribution of land and the protection given to small-property owners by making their smallholdings inalienable (Calvert, 1973: 293), a series of dams and other public works mainly concentrated in the north of the country, thus benefiting export crops such as cotton. Indeed, Alemán conceived the northern region of the country as a *teatro de operaciones* (theater of operations) where infrastructure was built (Cámara de Diputados, 1966b: 840). Additionally, both foreign and domestic capital was invited to build Mexican industry and commerce. When visiting the U.S. in 1947, he affirmed that

“that American capital which comply with Mexican law... will be welcomed...” (México, 1947: 53). Despite the fact that president Alemán, like his predecessor Avila Camacho, “attempted to give business, both national and foreign, as free a rein as was compatible within the context of the general principles of economic nationalism” (Hamnett, 1999: 257), this did not prevent him from giving the state the leading role in the making of Mexican capitalism. Such commanding function of the state in the economy was enlarged when the Law of the Executive’s Powers on Economic Matters was promulgated in 1950 (Martínez, 2004: 9).

During the administration of Alemán the economic infrastructure and the all-weather road network expanded (Calvert, 1973: 292). In order to assist overseas trade, for example, public monies were invested in developing port facilities at Veracruz and Acapulco (1973: 293). According to Vernon, large amounts were directed into the railroads, Pemex, and the federal electricity commission, whereas Nafinsa increased its participation in various new enterprises (Vernon, 1963: 103). As maintained by Blair, “at the end of 1945 Nafinsa’s credits and investments in electrical energy, transportation, and communication totalled just 7 percent of the 297 million pesos outstanding to all industrial enterprises. By the end of Alemán’s first year in office, 1947, they had grown to more than a fourth of a 500 million-pesos total” (Blair, 1964: 223). Actually, industrialization and infra-structural projects received such an impulse that government economic expenditure was pushed to a high point of 56.9 percent in his sixth year of office (Wilkie, 1970: 85). Essentially, the government of Alemán sought to use the economic powers of the state in tandem with the rising business class, in the belief that the masses would later receive the trickle down benefits of such strategy. In fact, social expenditure in the federal budget dropped to 11.2 percent in 1952, whereas

at the beginning of the administration this represented 15.9 percent (Ibid). Despite the high social costs associated with such development policy, Mexico's average rate of economic growth in the 1950s was 6.1 percent per year (Gollás & García Rocha, 1976: 407; Reynolds, 1970: 39). Pursued at a great price, the goal of transforming Mexico into a modern industrialized nation implied a shift of orientation of its productive machine "from traditional raw materials and primary products towards exports of services (such as tourism) and manufacturers" (Wilkie, 1970: 41).

If Avila Camacho proceeded with the industrialization process initiated by Cárdenas, Miguel Alemán placed overriding priority on it as the way to convert Mexico into "an economically stable, developed country" (Hellman, 1978: 76). As he put, "every single Mexican must be a soldier in this battle for industrialization, the only way through which... our economic independence can be strengthened" (Cámara de Diputados, 1966b: 828). In Alemán's view the construction of a modern nation could also be achieved through the promotion of tourism. Thus, the formation of Mexican tourism came to be informed by a conception of modernity and development based upon the assumption that industrial plants, the mechanization of agricultural activities, irrigation projects, motor ways and hotels, would lead Mexico to leave behind backwardness, and old or traditional forms of production. In a visit to Acapulco in 1945, president Alemán affirmed, "Building big hotels is not enough... the modernisation of the people is also required through the establishment of all the facilities which big cities enjoy..." (Alemán, 1988: 159). In essence, the national political class embraced an international discourse (which first came to light in the Truman doctrine) devised in the 1940s and 1950s which saw industrialization, urbanization, technicalization of agriculture, and rapid growth of material production "as the inevitable and necessarily progressive

routes to modernization” (Escobar, 1995: 39). Additionally, the developmental orientation taken by state elites in Mexico in the 1940s, in particular presidents Manuel Avila Camacho and Miguel Alemán, would be influenced by the country’s proximity to the United States. Hence, Mexican economic growth, that is the production and exchange of goods and services such as tourism, came to be shaped by the closeness of the U.S. While visiting the U.S in 1947, Alemán declared that he had found such a nice atmosphere that not only the Good Neighbor policy would be enhanced, but commercial, cultural and tourist trade would also be strengthened (México, 1947: 30).

As a consequence of the commitment of the governing circle to forge a modern industrialized Mexico, the structure of exports began to change. For example, traditional commodity exports such as silver and gold decreased their share from 31 to 2 percent of total exports between 1940 and 1964 (Reynolds, 1970: 212). The contribution of tourism to this developmental model was not minimal. In fact, when comparing traits of authoritarianism and economic development between Mexico, Argentina and Brazil, Kaufman has argued that a salient difference among them was the performance of their respective export sectors, “with Mexico’s considerably more dynamic and diversified than the other two”. Furthermore, he pointed out that “Mexico has derived substantial advantage from the tourist and border trade, which contributed between a quarter and a half of her foreign-exchange earnings during the post-war era” (Kaufman, 1977: 207). In similar fashion, commenting on the economic relationship between the United States and Mexico in the period 1940-1960, Reynolds noted, “export diversification and the increasing importance of tourism as a source of foreign exchange have tended to smooth out the effect of fluctuations in foreign demand” (Reynolds, 1970: 243) (See appendix 5).

In summary, though national leaders like Avila Camacho and Miguel Alemán came to support industrialization as the main road to development from 1940 onward, this fact did not prevent them from assisting other economic activities such as tourism. Actually, tourist trade and border trade were perceived as a way of earning foreign exchange which could be used to buy the machinery that Mexican industrialists required to produce goods that have previously been imported from abroad. What is more, American tourist dollars became indispensable to avoid serious balance-of-payments disequilibria (Brandenburg, 1964: 139). In 1946, when delivering his closing speech to congress, president Avila Camacho declared that “tourism and silver exports... will compensate for increasing imports” (Cámara de Diputados, 1966a: 335). In other words, during the 1940s state support for tourism was developmentally driven, that is, it was shaped by a notion of progress and modernization of the country symbolized by rapid economic growth brought by industrialization. To put it differently, the evolution of tourism in those years cannot be dissociated from a stage of Mexico’s economic development in which the emergence of a native industrial plant was the main aim of various government policies. As such this construction of a modern Mexico based on the strategy of nurturing an industrial sector with the participation of both domestic and foreign private capital, did not exclude the promotion of tourism, on the contrary tourism became an important part of it.

National Leaders, Businessmen and Tourism Development in the 1940s

President Manuel Avila Camacho (1940-1946) gave his support to the development of the tourist industry. It was during his administration, for example, that the II Pan

American Congress of Tourism was held in Mexico City (Instituto Mexicano de Investigaciones Turísticas, 1980: 11). Moreover, he was responsible for establishing the first foreign offices for Mexican tourism promotion in the U.S. cities of New York, San Antonio, Los Angeles and Tucson in 1941 (Cámara de Diputados, 1966a: 153). In addition to this, the government of Avila Camacho backed hotel construction. He launched the campaign “*peso contra peso*” through which the federal government committed itself to invest one peso for every peso that the private sector invested in tourist promotion (Fonatur, 1988: 8). Government assistance to tourism, however, did not proceed in the most impeccable climate. In fact, politicians in government positions derived personal gains from the initial prosperity of such tourist sites as the beach resort of Acapulco. Ramírez has recorded that Maximino Avila Camacho, who was the Minister of Transportation and Communications and brother of the president, gave a concession to his wife, Mrs Richardi, to administer the Acapulco beaches of Caleta and Caletilla (Ramírez, 1992: 12). In Niblo’s words, “there is archival evidence that Maximino Avila Camacho and, after his death, his widow, Margarita Richardi de Avila Camacho, were involved in a most blatant act of corruption by transferring the island to their personal title.” (Niblo, 1999: 274). In february 1945, the commanding officer of the 27 military zone in Acapulco, General Matías Ramos Santos, informed president Manuel Avila Camacho that Margarita Richardi de Avila Camacho was the propietor of an estate in which a hospital was going to be built. General Matías Ramos let the president know that Mrs. Richardi de Avila Camacho acquired the property in 1938. In that year, lieutenant Jorge A. Landa Suárez transferred the land to Mrs. Richardi who paid \$1, 000 pesos (Archivo General de la Nación, 1945, MAC, c. 514, exp. 462.3/37).

If president Manuel Avila Camacho backed Mexican tourism, this economic activity received unprecedented support when Miguel Alemán took office in 1946. As early as the *cardenismo* period of the 1930s, Alemán came to appreciate the economic potential of tourism when he was governor of his home state of Veracruz (Saragoza, 2001: 103). It was as Minister of Interior during the government of general Avila Camacho (1940-1946) that he began to use “his political muscle to promote Mexican tourism” (2001: 102). Actually, policy was implemented through the Department of Tourism (established in 1939) which was part of the cabinet office headed by Alemán (Instituto Mexicano de Investigaciones Turísticas, 1980: 9). According to Romero, one of the actions taken by Alemán as Minister of Interior was to set up a fund by which public and private monies could be used to promote tourism (Romero, 1988a: 64). Scholars like Saragoza argue that, under the aegis of Miguel Alemán Valdés, a tightly organized tourist policy consolidated from 1940 to 1952 (Saragoza, 2001: 92).

As a minister in president Manuel Avila Camacho’s government, Alemán helped also the business appetite of men like Jean Paul Getty, an American entrepreneur who entered the nascent but attractive tourist industry of Acapulco. According to Hart, the administration of Avila Camacho abandoned its position that the William Stephens’ *El Potrero Hacienda* was needed for agrarian reform, and sold it to the wealthy American oilman Getty and the Mexican engineer Laribera of the El Presidente Hotel interests (Hart, 2002: 412). Niblo has recorded that Alemán advised Getty’s agents to get in touch with Mr Melchor Perrusquía, the then president of the Committee of Material Improvements of Acapulco, who had been instructed to solve the issue (Niblo, 1999: 275). Getty built the Puerto Marques Hotel and Golf Club in the northern part of the estate in 1956, whereas the Mexican government “retained control over the remainder

of the property from which the Acapulco International Airport and Acapulco Princess Hotel and Golf Club were created in the 1950s” (Hart, 2002: 412). As recorded by Hart, Getty and Alemán remained good friends for the remainder of their lives (Ibid: 412). In summary, the course that the development of Mexican tourism was taking in the 1940s was not that different from that of the 1920s and 1930s. In both periods the interests of wealthy politicians and of domestic and foreign businessmen, particularly from the United States, shape the unfolding of Mexican tourism. These networks of influence would prevail during the six year presidency of Miguel Alemán (1946-1952), a time when cooperation between the private capital and government officials became a hallmark of his administration.

If president Avila Camacho held middle-class business views, the Alemán administration was characterized by a new spirit of collaboration with national and foreign capital. This friendly relationship with the private sector was reflected in the number of businessmen holding government positions. Actually, the administration of president Miguel Alemán “is notable because the number of entrepreneurial collaborators reached a high point for post-1940s governments” (Camp, 1989: 22). For instance, Antonio Ruiz Galindo, a cabinet member for two years holding the key portfolio of national economy, was an entrepreneur who benefited from state subsidies to support his industrial ventures, and a businessman of the hotel industry of Veracruz (Brandenburg, 1964: 102, 310). According to Niblo, he received a 90 percent exemption from state taxes when building the beautiful Hotel Ruiz Galindo at Fortín de las Flores, (Niblo, 1999: 132). Another businessman official was Antonio Díaz Lombardo, the then Director of the Mexican Institute of Social Security. He, who assisted Miguel Alemán during his presidential campaign, had entered the hotel industry of Acapulco in the

1930s. As maintained by Romero, Díaz Lombardo owned the Hotel La Marina since 1936 (Romero, 1988a: 28). A friend of Alemán, Díaz Lombardo made his fortune in bus lines, banks, and hotels (Niblo, 1999: 347). He, who was an investor in the *Novedades* paper, had been forced to resign from his post as Director of the Bank of Transportation (1943-1946) because it was claimed that his monopoly of the bus business led to a conflict of interests (1999: 273, 347; Camp, 1995: 203). Industrialist Bruno Pagliai was, together with Luis Aguilar, banker Carlos Trouyet and Eloy Vallina, one of the most favoured businessmen of the *alemanismo* (Hansen, 1971: 109). Pagliai, who was one of the main contributors to the unprecedented 16 million pesos presidential campaign of Alemán (Niblo, 1999: 166), had interests in the hotel sector of Baja California where he had managed the Hotel Playa of Ensenada (Romero, 1988: 162). Other *alemanistas* like Alberto Aldrete, the then Governor of the territory of Baja California Norte, profited from their political position and the economic gains associated with tourism expansion. Aldrete, who contributed 3 million pesos to Alemán's presidential campaign and formed a construction company, diverted funds going to public works projects to the purchase of the sumptuous hotel and Casino Playa in Ensenada (Niblo, 1999: 267).

President Miguel Alemán and Tourism Development

It can be argued that the politics underlying the emergence of a significant tourist industry in Mexico was shaped by both exogenous and endogenous factors taking place in the mid 1940s. On one hand, the closure of Europe as a tourist destination due to the war led travellers to switch to Mexico. On the other, the advent of Miguel Alemán to the presidency of the country meant that this activity acquired a salient function in assisting broader government aims such as industrialization and the reduction of the

disequilibria in the balance of payments. In 1945 he expressed, "...tourism is not merely a social phenomenon, it is an important component of the economy which requires to be backed. With the conclusion of the war and because of the state of destruction of various tourist attractions in the old continent, Mexico is an appealing site for foreign tourists" (Alemán, 1988: 152). By the time Alemán was running for the executive office of the nation (mid 1940s), war in Europe and the Pacific had just concluded. In this context it was clear that Mexico would find it difficult to export to a U.S. economy which was in the course of production recovery. In one of his speeches during his campaign for the presidency he said: "At a time when we foresee the need to increase imports due to the possibility of declining exports, it is logical that our interest should be directed toward the activity (tourism) that already constitutes one of the most important sources of earnings for our balance of payments" (MacDonald Escobedo, 1981: 125). Despite the fact that Miguel Alemán would promote rapid industrialization and the development of private commercial agriculture, tourism would also be a top priority of his government. In 1948, he told members of the Mexican congress that international tourism, an important fount of foreign exchange, will receive extraordinary assistance (Cámara de Diputados, 1966a: 400).

By the time Alemán became president (1946-1952), tourists on holiday were beginning to come in large numbers. In 1946, 265, 000 international travellers visited Mexico (Secretaría de Turismo, 1990: 373). In fact, Acapulco's natural harbor and scenic beauty had already become an attraction to Hollywood celebrities like Betty Grable, Clark Gable, and Errol Flynn (Hart, 2002: 411-412). In 1943, newspaper gossip reported that "19 year old red-haired Nora Eddington had flown to Acapulco to meeting Errol Flynn" (El Nacional, 1943b: 1). But not only foreign big names were visiting the port of

Acapulco in the 1940s; for some members of the domestic middle class and upper classes a visit to this beach resort of the west coast became popular (Inskeep, 1994: 145). Thus, those Mexicans who benefited from the development strategy pursued by Avila Camacho and Alemán, the *nouveaux-riches* bred by the war economy (Calvert, 1973: 290), were the ones enjoying one of the luxuries of the period: the visible extravagance of mass tourism for pleasure. As it has been stated, “Acapulco came to be the inevitable year-round vacation resort for businessmen on the way to success and for the middle-class people of Mexico City” (Fonatur, 1988: 8).

Though Acapulco was a very popular destination for foreign tourists, particularly from the United States, this beach resort was not the only place attracting travellers. During that time other favoured spots were northern border regions and Mexico City. Schwartz has recorded, for instance, that large numbers of North Americans set off for the heavily promoted Mexico City summer schools in 1948 (Schwartz, 1997: 111). A columnist of the time commented that while different Latin American countries had summer school programmes, “the list of summer sessions show that the greatest number are in various parts of Mexico, nearest neighbor of the United States” (Wilson, 1948: 25). Teachers, students, and even U.S. soldiers (Niblo, 1999: 29) were lured by summer academic courses in Mexico. If some U.S. soldiers elected Mexico City as a place to learn and enjoy after the war, the American government chose both Acapulco and La Habana for the recovery of Second World War and Korean war veterans (Ramírez, 1992: 19). In short, whether visited by celebrities, members of the domestic bourgeoisie or U.S. soldiers and students, the flourish of places such as Acapulco and Mexico City in the 1940s came to mark the first big push of Mexican tourism.

Beautiful natural scenery, the publicity brought by Hollywood luminaries and the entrepreneurial spirit of both national and foreign businessmen were important aspects which contributed to the expansion of tourism in places such as Acapulco. But the fortune of Acapulco and Mexico City as tourism spots, however, was to a great extent explained by the action of government officials. Actually, between the late 1940s and mid 1960s these two sites concentrated the bulk of tourism-related investment projects, most of them launched by the national leader who is regarded as the father of the Acapulco boom: Miguel Alemán (Truett & Truett, 1982: 12). During his administration financial support was provided for the construction of hotels and restaurants, and plans were made for converting Acapulco into the tourist resort best qualified for competing in the world market (Fonatur, 1988: 8). The government's aim of upgrading Acapulco as a world class resort has been judged as the hallmark of Mexico's commitment to develop a large tourist industry. For example, Cothran and Cothran point out that, "shortly after World War II, the Mexican government began to promote tourism, which was then focused on the new resort of Acapulco" (Cothran & Cothran, 1988: 479). In a similar fashion Jiménez Martínez states that the first stage of the development of the tourist industry in Mexico is characterized by moderate government finance support between 1945 and the mid 1960s (Jiménez Martínez, 1998: 13). In short, with the advent of Alemán to the presidency a "significant shift of attitude toward tourism" (Clancy, 1996: 107) took place. This novel position with respect to tourism was embodied in the erection of infrastructure in Mexico City and, particularly, the port of Acapulco. In 1948, when speaking to congress, president Alemán made known that airports in Mexico City, Acapulco and Tijuana had been renovated (Cámara de Diputados, 1966a: 390). Additionally, inhabitants of the national capital were discovering the charms of the port of the pacific because of the construction of a direct

highway connecting Mexico City and Acapulco (Schornick, 1977: 37). It should be stressed, however, that the construction of infrastructure and upgrading of tourism facilities was largely carried out by the federal government which, through the Junta Federal de Mejoras Materiales (National Board of Improvement), overcame the lack of resources of the state government of Guerrero and built the urban infrastructure that the tourist industry and the port city of Acapulco required (Guajardo, 1995: 19). The National Board of Improvement invested \$12 million pesos in Acapulco in 1948, \$31 million in 1949, and \$1.4 million in 1951 (Secretaría de Bienes Nacionales, 1948, 1949, 1951). As appendix 6 shows, even the major development bank, Nacional Financiera (Nafinsa), supported the unfolding of Mexican tourism.

President Miguel Alemán did not exclusively concentrate state action on the upgrading of Acapulco. He supported substantial federal investment in infra-structural development which came to affect the unfolding of tourism in other regions of the country. For example, to the road building program of the 1930s the national government added a modern highway and road network connecting international frontiers with the capital (Cline, 1962: 63). When addressing the national legislature in 1950, Alemán affirmed that the Pan-American highway running from the U.S-Mexico border city of Ciudad Juárez to Ciudad Cuauhtémoc in the Guatemalan frontier had been completed (Cámara de Diputados, 1966: 440). With 9,108 kilometres of passable roads in 1939 that figure increased to 23,925 kilometres by 1952 (Presidencia de la República, 1963: 99). Rising standards of income and cheap petrol allowed some Mexicans to buy cars which American companies such as Ford and General Motors were already assembling in Mexico. By 1940 there were 93,632 cars and 41,935 trucks, whereas ten years later Mexico had 173,080 cars and 111,252 trucks (Nacional

Financiera, 1978: 85). Thus, tourism development during the 1940s was also assisted by government policies such as the extension of the road network which ultimately encouraged owners of automobiles, trucks, and buses to travel along the new highways. For instance, Oscar Lewis noted that he and his team of social researchers were not the first outsiders in the Tepoztlán village given the frequent coming and going of tourists. In effect, by 1947 when Lewis was carrying out his anthropological study in Tepoztlán, there was a new road connecting the village with Mexico City and Cuernavaca. The influx of weekend visitors from Mexico City was transforming life in the village but it was also exposing social and regional inequalities within the Mexican nation. As was recorded in one of the meetings between the team of anthropologists and local people, “We have a new road and many tourists, but our children are dying –they asked for a doctor” (Lewis, 1963: XV). In summary, by keeping up the expansion of the road network and inviting residents of urban centres such as Mexico city to use it, national leaders like Alemán were adding a nationalistic content to the development of Mexican tourism. In other words, although international tourism was encouraged by both Avila Camacho and Miguel Alemán, the latter gave a big push to the development of the leisure industry by encouraging middle class and upper class nationals to become tourists.

In addition to the financial and infra-structural support given to Mexican tourism, president Miguel Alemán backed this economic activity by enacting laws and reforming the government agency responsible for tourism promotion. During his term in office, for example, the first Federal Law of Tourism (1949) was enacted. This decree gave birth to the Dirección General de Turismo (Cámara de Diputados, 1966a: 433), the government agency charged with tourism promotion (Caballero, 1962: 109). Through this

department, which was part of the Ministry of Interior, a vigorous campaign to encourage international tourism was launched, and some kind of order was given to the functioning of the industry. As maintained by Niblo, “prices were regulated to avoid gouging and from their prominent offices on Juárez Avenue officials attended to complaints. Uniformed and licensed bilingual guides complemented the new highways that welcomed visitors...” (Niblo, 1999: 28). Furthermore, promotional campaigns sought to capture the burgeoning tourist American market. In effect, by 1950 seventy-five million North Americans took annual vacations and were spending nineteen billion dollars for travel every year, almost two-thirds of it in the Americas (Schwartz, 1997: 147). The Mexican government was aware of this trend and spent \$400,000 for publicity in the United States in 1948 (1997: 115). The organizational and material infrastructure laid by the administration of Alemán, and the devaluation of the peso in 1948 would lead to an increase in the number of foreign tourists visiting Mexico. From the 265, 000 international visitors of 1946 the number expanded to 460,000 in 1952 (Secretaría de Turismo, 1990: 373).

Growing number of tourists visiting Mexico, especially the national capital and the port of Acapulco, came to alter the social and economic life of resort areas. In the case of Acapulco, for instance, the construction of hotels, and the opening of other tourist establishments such as restaurants and related businesses, attracted large numbers of migrants. Whereas the population of this beach resort of the Pacific coast was 9,993 inhabitants in 1940 (Schornick, 1977: 37), ten years later it amounted to 28,512 residents, and reached 49,149 by 1960 (Ramírez, 1992: 29). The tourist boom of Acapulco, nonetheless, was accompanied by a chaotic urbanization. As early as 1946 slums began to appear in the periphery of the port of Acapulco. Absence of basic urban

infrastructure and deprivation were common everyday life features for those living in the slum tenements (1992: 8). This unmanageable urban expansion, however, was not only the result of a great lack of planning, but the expression of a model of tourism development based on an unequal distribution of wealth. In other words, tourism expansion came to be another realm in which the unequal participation in the economic growth of the country was emerging as the main characteristic of the Mexican road toward development. In fact, since that time it was becoming clear that much of the future expansion of Mexican tourism would be distinguished by the concentration of benefits not exclusively in few hands, but in few areas as well. In other words, the social distortion of this form of tourism development was accompanied by geographical deformity. As has been said, “typical of Mexico’s unequal growth patterns, benefits have accrued disproportionately to a few showcase projects, with little benefit to surrounding areas. For example, while Acapulco was transformed from a small town to a world-class vacation spot, the rest of the state of Guerrero remains tragically poor” (Levy & Bruhn, 2001: 245). In short, despite the fact that president Alemán was the leading craftsman in fostering tourism as a developmental avenue during much of the post World War II period, his support of this industry did not attenuate “the divisions between the two Mexicos –participant and marginal, haves and have-nots” (Gonzalez Casanova, 1970: 79).

Presidential Blessing, Corruption and Tourism

As already mentioned, the expansion of Mexican tourism, especially in the port of Acapulco and the capital city, was aided by exogenous factors such as the Second World War which came to divert the flow of U.S. tourists towards Latin American

countries such as Mexico. Equally important were endogenous aspects such as the financial and organizational backing provided by national leaders in the 1940s. However, crucial to the boom of Acapulco as the emblem of the new government attitude towards tourism, was the personal dedication of president Miguel Alemán to the development of this resort. In effect, whereas his successor would transform Mexico city into a modern, beautiful metropolis, Miguel Alemán favoured Acapulco (Brandenburg, 1964: 109). According to Guajardo, while in office president Alemán used to visit Acapulco during weekends, staying in his family house in Puerto Marqués. However, pleasure was not the exclusive aim of his visits to the port. Alemán's government bought a yacht, the so-called *Sotavento*, in which the president attended meetings at which important affairs were examined (Guajardo, 1995: 20-24). Actually, president Alemán entertained top executives of foreign companies such as Westinghouse and the Republic Steel Corporation, among others, in the pleasure resort of Acapulco. In Niblo's words, "the flow of top corporate executives through the presidential office to the various tourist attractions, especially Acapulco, seemed endless" (Niblo, 1999: 208). To come to the point, both political blessing and the emphasis placed on infrastructural financing in Acapulco marked the beginning of resort development in Mexico (Evans, 1981: 78).

If president Miguel Alemán had the insight of seeing tourism as a medium for financing the country's balance of payment deficit, it has been argued that personal economic motives were also behind his promotion of this activity (Saragoza, 2001: 104). In the period of Avila Camacho's government, *ejido* land end up administered by private groups such as *Compañía de Terrenos de Acapulco*, in which Miguel Alemán and the mass media entrepreneur Emilio Azcárraga were associates (Ramírez, 1992: 11).

Hamilton Wright Jr. of Hamilton Wright Organization wrote a letter to president Alemán in 1949. A fragment of this missive says,

“Dear Mr. President, we herewith respectfully submit a one year’s USA tourist publicity program for Mexico for \$ 60,000 (dollars). This has been done at the suggestion of Sr. Alberto Nathan, who as your agent asked us to publicize your presidential campaign in the U.S.A, with the understanding that we were to receive a sizeable tourist publicity contract with your government, in recognition of our unpaid efforts, upon your election” (Archivo general de la Nación, 1949, MAV, c. 810, exp. 704/43).

During Alemán’s administration *ejido* land in Puerto Marqués, Acapulco, was expropriated (1947) and sold to government officials or their relatives (Ramírez, 1992: 12). The *ejido* of Icacos, for instance, lost its land to a golf course, a housing subdivision, and a company created by one of the president’s partners, Manuel Suárez, “who also managed to gain most of the southern shore of the Bay of Acapulco” (Niblo, 1999: 274). In 1945, PRM (later PRI) senator Nabor Ojeda wrote a newspaper article in which he complained of the fraudulent transactions through which *ejido* land in Acapulco had been sold to private interests (Ojeda, 1945).

The growth of tourism in such places as Acapulco proceeded smoothly due to the cooperation of individuals who did not solely occupy major national offices but were closely related to president Alemán. That was the case of Melchor Perrusquía, the then head of the Junta Federal de Mejoras Materiales (National Board of Improvement), who helped American oilman J. Paul Getty to acquire land in Acapulco. As recorded by Niblo, U.S. ambassador William O’Dwyer asserted that Mr. Perrusquía was a dear friend of president Alemán and his official capacity was Collector of the Port of Acapulco and also the head of the Board of Improvement. “In short he could be referred as the Emperor of Acapulco” (Niblo, 1999: 274). According to Cockcroft, Alemán made a fortune from deals with U.S. capitalists, including partnerships with hotel

magnate Conrad Hilton (Cockcroft, 1998: 153). He was a major investor in several industries (Camp, 1995: 25) and a shareholder of the hotel chain Continental (Ramírez, 1992: 8). In his home state of Veracruz, for example, he had interests in fishing, land, plantations, and owned the large Hotel Mocambo, whereas “it was also widely understood at the time that president Alemán had a considerable stake in the new Hotel del Prado across from Alameda Park” in Mexico City (Niblo, 1999: 213). He and one of his various associates, the Spanish industrialist Manuel Suárez, owned the Hilton Hotel in Mexico City (1999: 290).

Favouritism and corruption permeated not only the politics of tourism but other aspects of Mexican economic and social life during *alemanismo*. It was rumoured that the expansion of public investment in energy sources and in transportation led to widespread bribery in connection with such contracts (Vernon, 1963: 104). Fuelled by the spoil system of the corporatist structure of the semi-official political party, or by the private investor as it seeks to avoid penalty, corruption has had a pervasive existence in Mexico. Not surprisingly, tourism expansion in the 1940s and 1950s sheds some light on the way members of the ruling circle and private interests intermingled and converted economic resources into political resources and vice versa. In the end, the making of tourism as another tool to foster modernity and material advancement was informed by corrupt practices through which political and economic benefits were exchanged for constituency-building, political control, and influence. Self enrichment or the direct use of public funds for private purposes, however, has to be analysed by looking at the peculiarities of the Mexican bureaucracy. Though corruption in Mexico has resembled common political tactics of praetorian systems, it has also had a political function to fulfil. In effect, either bureaucrats heading offices directly concerned with

political matters or those whose primary responsibility is the allocation of resources, all exert their function within the boundaries of a political and administrative system distinguished by a large turnover of political elites. In other words, to a certain extent the corruption surrounding the promotion of tourism as in any other economic activity can not be disassociated from the political necessity of compensating those who are about to be retired from public office. Thus, a renewal of the political elite is in some way achieved by the rewarding role supplemented by corruption. In short, the construction of tourism has not solely highlighted some of the basic contours of the Mexican polity, but demonstrated that the country's path toward development and material betterment has been accompanied by the ills of corruption. In essence, the developmental commitment of national leaders like Miguel Alemán did not come to a halt because of pervasive corruption. For example, Hansen pointed out that Guadalupe Zuno became a millionaire while governor of Jalisco, but at the same time introduced more roads, schools and other public improvements than all other governors (Hansen, 1971: 160).

Miguel Alemán, who left office in 1952, was an enthusiast of tourism, a polemical figure who did not only advance plans to make of Acapulco a world class resort but became enchanted by the charms of this beach resort. Even after leaving office Alemán kept on supporting the development of the tourist industry. His advocacy of Mexican tourism did not diminish, nor his fascination with Acapulco. In fact, in the February 1966 issue of Time magazine, it was reported that ex-president Miguel Alemán "has a palatial villa and is a faithful weekender" of the pacific beach resort (Time, 1966: 56). As head of the Consejo Nacional de Turismo (National Tourist Council) for more than twenty years (from 1961 to 1983), Miguel Alemán embarked on a major publicity

campaign in support of Mexican tourism. In this respect, Wilkie commented. "Alemán spends his time abroad spreading good will. He is followed by a large coterie of assistants, and he enjoys special diplomatic treatment as he is Mexico's roving plenipotentiary ambassador" (Wilkie, 1970: 154). The Consejo Nacional de Turismo had 18 offices in the United States; 3 in Canada; 3 in Asia and Oceania; 9 in Europe; and 1 in South America (Guajardo, 1995: 192).

In spite of the cases of greed and corruption surrounding the unfolding of tourism during the administration of Miguel Alemán, there is no doubt that he should be credited as the first national political leader who had the wisdom of seeing tourism as a valuable developmental device. There is no doubt that further collection of data and information is required in order to fully disclosed the economic and social significance of Mexican tourism in the aftermath of World War II. But by exposing some of the events, intrigues, and interests which came to shape the unfolding of this economic activity, some light is shed on its political nature. In the end, salient features of the polity of the country are highlighted by deciphering the forces permeating tourism expansion in a time when one of the most crucial and controversial Mexican political figures was its main promoter: Miguel Alemán.

Conclusion

In this chapter I have attempted to decipher the politics of the first major state move to promote Mexican tourism. I have done this by paying especial attention to the historical context within which national leaders like Manuel Avila Camacho and Miguel Alemán embarked on the formation of a tourist sector. By examining the conditions under which

the Mexican society of the 1940s and early 1950s evolved, it can be argued that tourism development came to be shaped by two major impulses. The first of them was of external nature, and referred to the impact of world conflict and the U.S. Good Neighbor policy on the diversion of the American tourist flow toward Latin American nations such as Mexico. I have stated that crucial to the unfolding of this hemispheric strategy was the use of the mass media and, in particular, the cinema. In the end, this form of entertainment and the U.S. imperative of forging war time alliances came to assist the expansion of Mexican tourism. The other significant drive which induced national leaders to support tourism was the compelling enterprise of transforming Mexico into a modern manufacturing nation. In fact, tourism not only aided this venture by earning needed foreign exchange which would finance the development of a domestic industrial sector, but came to be seen as another way of moving the country away from underdevelopment and backwardness to modernity.

Between the 1940s and early 1950s, the national leadership's backing of tourism mainly concentrated on places such as Mexico City, Acapulco and some northern border areas. Though the Mexican state did not take an entrepreneurial role during this stage of the unfolding of tourism, it became responsible for building the infrastructure which this distinct industry required but the rising domestic capital class could not finance. Moreover, government assistance to tourism reflected the increasing active participation of the state in the economy. Actually, both presidents Avila Camacho and Miguel Alemán extended the involvement of the developmental edifice erected by Cárdenas and, in cooperation with the private sector, encouraged the expansion of Mexican capitalism.

Though world events, media blitz, and the Mexican government's financial and material support were decisive factors explaining the growth of tourism, political structures and presidential blessing also played a contributor role. Some social actors benefited, at the expense of others, from the implementation of developmental policies such as industrialization and tourism. However, the chances of social disorder to occur as a consequence of the social costs incurred by the course of government support of industrialization and tourism, came to be checked by corporatist structures of political control and cooptation. The strengthening of the presidency as the pinnacle of the political system allowed figures like Miguel Alemán to accelerate the march of Mexican tourism.

Much of the corruption practices which surrounded the development of tourism were nothing but the expression of social and political imbalances permeating the redistribution of material and non-material resources among individuals, groups, or classes in Mexican society. In summary, the progression of tourism between the 1940s and the early 1950s casts some light on some of the workings of the political system, reveals the social inequalities of the Mexican path toward development, and illuminates the economic and power processes around which tourism emerged as a device to be used in order to give material form to a notion of modernity.

In the next chapter, I explore the economic and political conditions which led the Mexican governing elite to deliberately use tourism as a developmental avenue by the end of the decade of the 1960s. Between the late 1950s and early 1970s signs of economic exhaustion, political rivalry among members of the PRI ruling coalition, and national security issues such as the arrival of a socialist regime in nearby Cuba, came to

alter the pattern of tourist development in Mexico. In the end, all these factors shaped the new governments' stance of consciously promoting tourism expansion in Mexico. In doing so, as it will be explained, tourism came to be used as a device through which not only economic but political aims could be attained.

Chapter VII

The Emergence of a Long Term Tourism Strategy

Introduction

In this chapter I demonstrate the way in which various social, economic, and political factors led tourism to emerge as an explicit development avenue for those who were commanding the state apparatus by the late 1960s. Before that time, excepting probably the administration of Miguel Alemán, tourism was seen as an economic activity which, by itself and without following any sound government direction, had been bringing foreign exchange. Actually, since the mid 1950s until the mid 1960s, the Mexican leadership began to create a more solid institutional milieu for the promotion of tourism, but financial assistance to the sector remained low. However, government fixation with a model of economic growth based on import substitution industrialization which began to show signs of exhaustion by the mid 1960s, pushed state elites to reassess the developmental nature of tourism. The path of development which the country had been following was not generating enough jobs; it had neglected agriculture thus pushing impoverished peasants to flock to the cities, especially Mexico City; and it had led the industrial sector to import an increasing amount of intermediate and capital goods hence generating a balance of payments deficit. Consequently, state elites, in particular technocrats at the Bank of Mexico, came to regard tourism as a tool which could specifically help to alleviate the trade account deficit, generate jobs, and induce migrants to move away from crowded cities and settle in newly constructed beach resort areas.

Loans granted by international organizations such as the World Bank and the Inter American Development Bank allowed the Mexican government to initiate a long-term and well-planned strategy to support tourism expansion. But rational state efforts to foster this economic activity did not mean that the course of government action was exclusively development oriented. National security issues would also incline the Mexican leadership to foster the development of tourism. Additionally, political cleavages among members of the PRI ruling coalition and the consequent re-entry onto the tourist scene of influential figures like ex-president Miguel Alemán would come to inform the unfolding of this economic activity. Furthermore, the interests and human agency of other actors like local politicians, entrepreneurs, and highly trained bureaucrats would be decisive forces shaping the path of development that Mexican tourism underwent between the mid 1950s and late 1960s. In the end, all these actors intermingled to give way to the formation of a tourist landscape made up of newly constructed beach resorts such as Cancun, or more traditional tourist spots such as Puerto Vallarta. This intermix of individual, group and institutional action which coalesced to give birth to various Mexican tourist hallmarks was to constitute the politics of tourism of the time.

Development and Tourism

I. Industrialization and the Neglect of Agriculture

By the late 1960s state elites in Mexico began to give some sort of coherence to the government's effort to promote tourism. Before that time, much of state action toward the tourist sector was uneven and non-systematic. As stated by Clancy, tourism "was left largely to its own devices and at best was seen as an instrument toward other

developmental goals” (Clancy, 1996: 104). Interestingly, the attempt to give tourism development an orderly course was shaped by the uninterrupted commitment of successive administrations to modernize the country, maintain political order, and sustain economic growth as synonymous with social betterment. During those years tourism not only kept on assisting the national economy by helping to finance the external deficit with needed foreign exchange (appendix 5 shows the contribution of tourism to counterbalance the merchandise current account deficit), but emerged as a compensation mechanism to some of the outcomes of a path of development which favoured industrial growth versus agriculture expansion. Generally speaking, in the 1950-1970 period, when the overriding government priority continued to be that of import replacement, the terms of trade between agriculture and industry were biased in favor of the industrial sector. It was estimated, for instance, that in 1960 the manufacturing sector received nominal protection (for the final product) of 35 percent and effective protection (for the factors of production) of 74 percent, whereas the level of protection received by the agricultural sector was of between 3.9 percent and 6.7 percent respectively (Villarreal, 1977: 73). Low public investment in agriculture led to the decline of the rate of growth of this sector. In effect, while agricultural production grew at an average of 8 percent a year during the 1940s, in the 1950-1970 period the averaged annual rate was 4.1 percent (1977: 75). Furthermore, the sector’s contribution (through exports) to finance the importation of intermediate and capital goods for industrial development diminished. In fact, whereas foreign exchange brought by agriculture grew 9 percent annually between 1950 and 1960, in the 1966-1968 period the figure dropped to 1 percent (Gollás & García Rocha, 1976: 422). By 1972, products such as wheat that had previously been exported had to be imported to meet domestic demand (Montes de Oca, 1977: 59).

Though the relative slowdown in land distribution during the 1940s and 1950s pushed the rural population to migrate to the urban areas, the declining of the rural economy in the late 1960s and early 1970s would force masses of peasants to flock to the cities. After all, the prospect of having a better standard of living in the urban areas was a decisive factor explaining the heavy out-migration from rural localities to the cities. In fact, it was estimated that whereas 58 percent of the rural population had an annual income of \$130 US dollars per person in 1968, the percentage of urban dwellers living on that amount was far lower, at about 16 percent (Gollás & García Rocha, 1976: 424). As Bachelor has put it when commenting on a migrant who gets a job in the Mexico City's General Motors plant in 1963, "hired as an unskilled, entry-level assistant, he started with a salary of 60 pesos a day, more than four times what he made while working briefly for the Mexico City government and far beyond what he earned in his Puebla village" (Bachelor, 2001: 274). In short, the Mexican agricultural sector began to falter as national leaders, particularly Manuel Avila Camacho (1940-1946), Adolfo Ruíz Cortines (1952-1958), Adolfo López Mateos (1958-1964), and Gustavo Díaz Ordas (1964-1970) (Cypher, 1992: 75, 84, 97) shifted government policy in favour of industrial development. The end result of public policies supporting industry was that "by the 1960s... the thought of basing the Mexican economy on the rural community had virtually disappeared from writings of economists, anthropologists, and political sociologists" (Brandenburg, 1964: 206).

The lack of attention to agriculture was, in some way, the result of the state elite's aim of intensifying the construction of a domestic industrial sector. In essence, successive administrations in the period from the 1950s to the 1970s continued the process of

industrialization via import substitution initiated by the governments of Avila Camacho and Miguel Alemán. During this time, however, the country moved forward into the second and third stages of the import substitution process, that is, the production of intermediate and capital goods. But the deepening of the process of import-substitution industrialization via the local production of durable consumer goods and of capital and intermediate goods would have a major impact on the geographical concentration of wealth and on the distribution of population within the national territory. Essentially, the concentration of production in capital-intensive enterprises, the substitution of capital for labour, the bias of the nation's businessmen toward modern technology, and direct foreign investments that import mechanized production methods, did not solely come to imply less jobs but it meant that social and economic opportunities were to be found in the cities, particularly Mexico City (Eckstein, 1977: 23). In other words, government policies biased in favor of the industrial sector and the diminished capacity of an increasingly mechanized agriculture to absorb a growing number of workers, led labor to move to the cities in search of jobs. The capital city, for instance, experienced a rapid rate of urbanization of 177.1 percent from 1,757,530 in 1940 to 4,870,876 in 1960 (Wilkie, 1970: 231).

By the late 1960s the process of import-substitution industrialization, on which Mexico had been embarked for nearly thirty years, had reached maturity. Aided by various government protective instruments such as controls or tariffs for imports, and partial or total exemption from several taxes (stamp tax, and import tax), the domestic industrial sector moved forward on the replacement of foreign manufactured products. It was estimated, for instance, that by 1969 imports represented only one-fifth of the total supply for the sector of intermediate goods, "while imports had been reduced to 50

percent of total supply in the case of consumer durable goods and capital goods” (Villarreal, 1977: 74). A good example of the working of the model of import replacement was the formation of a Mexican automobile industry initiated during the administration of president López Mateos (1958-1964). It was in López Mateos’ presidential term that foreign auto firms were induced to commence domestic manufacture (Bennett & Sharpe, 1979: 57). Import substitution stimulated industrialization and economic growth, but industry, which had an annual average rate of growth of 8 percent between 1950 and 1970 (Gollás & García Rocha, 1976: 424), did not expand rapidly enough to absorb the growing urban population.

The diminished potentiality of the secondary sector to assimilate an expanding labor force was rooted in the type of industrial growth promoted by those commanding the state apparatus in Mexico in the 1950-1970 period. In fact, instead of encouraging a model in which “industrialization processes were accompanied by an increasing use of labor intensive technologies” (Villarreal, 1977: 76), the country opted for one which rested on modern technology imported from advanced industrialized countries (Hellman, 1978: 81). In other words, the kind of industrial development chosen by Mexico preferred capital to the use of labor. Thus, despite the pace of expansion of industry, and a rate of economic growth of 6.1 percent per year in the 1950s (Reynolds, 1970: 39), the unemployment problem in Mexico persisted. Unemployment and underemployment in the late 1960s have been estimated at between 40 and 50 percent (Tello, 1980: 76). Furthermore, unemployment was aggravated because of high birth rates. Mexico had a rate of population growth of 3.1 percent in the 1950-1960 period, and of 3.4 percent in the years between 1960 and 1965 (Reynolds, 1970: 22). In addition to this, the pressure over the labor market was exacerbated when in 1964 the

bracero program¹ between Mexico and the United States terminated. It is precisely in this context of rapid urbanization and the limited industrial potential to absorb an abundant labor force, that state elites in Mexico began to see tourism as a useful device to generate jobs, and not merely as a medium through which needed foreign exchange could be earned. The Department of Tourism in the administration of president Gustavo Díaz Ordaz (1964-1970) continued to regard this activity as a tool to alleviate the deficit of the country's trade balance. Additionally, it was highlighted the sector's potential to be a source of tax revenue, and the job generating capacity of the industry began to be emphasized (Departamento de Turismo, 1970: 3).

II. Urbanization, Inequality and Tourism

The expansion of local production of nondurable consumer goods during the first phase of import-substitution industrialization strategy absorbed much of the internal migration of the 1940s. But the deepening of the import-substitution industrialization process via the local production of durable consumer goods and of capital goods did not come to assimilate as many rural migrants as had the previous phase of ISI. In fact, because industrial production became more technologically sophisticated and capital intensive, fewer rural migrants to the cities could find stable or adequate wage labour. As Hellman observed, "the rural migrant makes his way to the city, full of hope, only to see that the city is already full of urban unemployed" (Hellman, 1978: 88). To put it differently, when commerce and industry could not absorb the continuing stream of impoverished rural workers, "a great deal of hidden unemployment thus results among this migrant

¹ Conceived in 1942, the *bracero* program contributed to the wartime labor shortage in the United States. Under the supervision of the United States Department of Labor, an estimated twelve million men worked as *braceros* between 1942 and 1964. "The *braceros* were workers –mostly agricultural workers- who contracted to work in the United States for a specific period of time, usually three to four months, at a wage determined in advance" (Hellman, 1978: 87).

group, many of whom are forced to work only part time at marginal tasks" (Cline, 1962: 105). Those people who left the countryside and headed to the capital in search of work ended up as street vendors, lottery ticket sellers, household servants, laundresses, irregularly employed factory hands and so forth (Cockcroft, 1983: 226). Thus, some of the effects of the government policy of fostering the creation of great industries came to be the increase in the number of people working in peripheral activities of the so-called tertiary sector. Therefore, despite the fact that annual industrial employment growth averaged 4.3 percent between 1950 and 1960 (Gollás & García Rocha, 1976: 425) and that manufacturing, construction, and electric power accounted for 17.7 percent of the labor force in 1960 (Reynolds, 1970: 63), the tertiary sector concentrated a large number of those expelled by a declining agricultural economy. In fact, those workers involved in the services sector represented 19 percent of the economically active population in 1940, whereas in 1979 their total amounted to 43 percent (Cockcroft, 1998: 223). Tourism absorbed some of those expelled by a decaying agriculture. Jud has calculated that between 1960 and 1970 employment in hotels and motels registered a 111 percent increase, and employment in restaurants, cafes, and bars showed a 147 percent increase (Jud, 1974: 32). In short, either working in the services sector, in an industrial plant, unemployed or semiemployed, migrants augmented the size of the population of places such as Mexico City. It was estimated that the number of inhabitants of the capital city of the nation grew from 8.9 million in 1970 to 10 million in 1976 (Hamnett, 1999: 265).

Poverty was becoming a hallmark of Mexican urbanization, and a striking feature of the daily life of many rural families. According to Cumberland, by 1960 nearly a million peasants, outside of the *ejidal* system, worked plots of land too small to give sustenance

to a family; the majority of them, he goes on, lived at a bare subsistence level and enjoyed few of the advantages accruing from the burgeoning economy (Cumberland, 1968: 322). To put it briefly, regardless of various examples of prosperity achieved by Mexico such as an increase of foreign investment which averaged 5.6 percent annually in the 1960s, and an annual growth rate of industrial production of around 7.8 percent in the 1950-1967 period (Fernández Christlieb & Rodríguez Araujo, 1985: 79-80), the country's developmental path was accompanied by a deterioration of the living conditions of a large segment of the population. Actually, between 1950 and 1957 the percentage of aggregate personal income received by the poorer 50 percent of the Mexican families declined. It was estimated, for example, that "their share dropped from 19.1 percent of the total in 1950 to 15.6 percent in 1957, and remained practically unchanged in 1963" (Hansen, 1971: 74). In other words, the model of import replacement in its second phase concentrated wealth in the hands of few people. According to Erfani, 20 percent of the Mexican populace with the highest incomes received 59.8 percent of the national income in 1950, "whereas in 1963 that percentage had increased to 62.6 percent of national income" (Erfani, 1995: 81). In Cumberland's words, "...Mexican economic gains have been funnelled into a small segment of the population, with the vast majority benefiting only slightly from the impressive gains registered after 1950" (Cumberland, 1968: 322).

In summary, between 1940 and 1970 the Mexican government sought to sustain economic growth by supporting an industrial sector committed to supply the domestic market with goods previously produced abroad. Such a policy, however, led to an unbalanced geographical concentration of wealth and job opportunities in urban areas. For example, by the late 1960s Mexico City's metallurgical industry comprised one-

quarter of the national production, whereas the respective figure for the chemical, textile, and food industries was one-half (Hamnett, 1999: 261-262). And despite the fact that cities such as Guadalajara and Monterrey were also attracting rural migrants, especially the latter which increased its population from 900,000 in 1960 to 1.2 million in the early 1980s, “the greatest concentration of manufacturing production and employment was in the Federal District” (the capital city of the country) (Ibid). However, the attraction exerted by massive industrial expansion in the cities, particularly in Mexico City, led to urban agglomerations where not all the new migrants could realise their hopes of having a better life. By 1971, for example, there were more than three million unemployed workers in Mexico City alone (Hellmann, 1978: 88). Most of these people ended up living in slums or “lost cities” (*ciudades perdidas*) where lack of drinking water, of sewers, or of garbage collection came to be common features of a new urban Mexico. As Hellman has noted, “slums on the main route between downtown Mexico City and the international airport are carefully concealed from the eyes of tourists and other foreign visitors by high walls... decorated with slogans praising the PRI and its candidates” (1978: 88-89). Such a physical deformation of the Mexican urban landscape was nothing but the expression of the social costs of the country’s route toward modernity.

Deprivation and over-population in urban areas came to represent a major factor inducing state elites to promote tourism. In other words, by the late 1960s state officials were faced with finding an alternative that, besides helping to alleviate the deficit in the balance of payments, “would create regional employment” (Clancy, 1996: 92). High trained officials at Bank of Mexico regarded tourism, in particular the beach type, a suitable economic strategy to be backed because of its labour intensive nature. Tourism

was seen as an economic activity which would employ large numbers of unskilled people. Additionally, tourism would lead to regional development as a consequence of the flow of workers moving to the beach resorts where job opportunities would be available (Banco de México, n/d).

III. Trade Deficit and Tourism

If urban growth, especially that of Mexico City, came to mean an increase of the average real wage because labour shifted from agriculture to industry, state personnel were realizing that further government action was required to provide the jobs that an abundant labor force was demanding. For instance, at the 25th anniversary celebration of the chief development bank (Nafinsa) on 1959, president López Mateos (1958-1964) stated that “in addition to its present activities, the institution should give special attention to two major problems: stimulating greater employment, and developing higher real incomes for the rural population” (Cline, 1967: 420). In part for this reason, he took the decision to use the major official development bank, Nafinsa, to support the construction of an industrial plant at Ciudad Sahagún, in the state of Hidalgo. As Blair has argued, the promotion of industry in that area, “was part of a concern for solving chronic unemployment in regions outside the Federal District and forestalling some of the relentless migration to the capital” (Blair, 1964: 227). Thus, by the mid 1960s ruling elites in Mexico were not only committed to modernizing a domestic industrial sector, but gave the state an entrepreneurial role in order to alleviate some of the ills of the import-substitution model.

The Mexican state continued concentrating its investments on productive public works and infrastructure as a way of supporting the process of industrialization and responding to some of the demands created by the dynamics of a more urban Mexico. Nafinsa's credits, for instance, were directed to the support of such basic industries as electricity before it was nationalized in 1960. After all, "electricity was acutely needed for manufacturing", and "for residential consumption in crowded urban centers..." (1964: 222). However, "state intervention in the process of capital accumulation during the period of dependent import-substituting industrialization" (Fitzgerald, 1978: 263), would lead the country to a continuous demand of machinery and other industrial inputs if growth was to continue. As pointed out by Enríquez, "domestic production covered virtually all internal demand of final-use goods but fell significantly short in the case of intermediate inputs and particularly capital goods" (Enríquez, 1988: 25). Villarreal estimated, for example, that the imports of intermediate and capital goods represented 55 percent of total imports in 1929, but by 1970 the proportion had increased to 90 percent (Villarreal, 1977: 81). The imports of these two categories of goods continued during the period, thus provoking ever-increasing deficits in the balance of payments (Enríquez, 1988: 25).

In 1960, Mexico's officially registered imports (mainly production goods) accounted for 70 percent of her foreign expenditures. In that same year the country's foreign expenditures exceeded her receipts from the export of goods and services by 174 million U.S. dollars (Izquierdo, 1964: 247). Furthermore, pressures over the external account were exacerbated because of the outflows of profits and royalties of foreign companies. Actually, transfers of rents and interests to foreign capital equalled 500 million dollars per annum during the 1960s, "and this amount more than offset the net

income from tourism” (Villarreal, 1977: 81). The contribution of tourism income alone (excluding border transactions) to alleviate some of the elements of the country’s trade balance deficit has not been minimal (appendix 5 shows the share of the merchandise current account deficit –that is, the disequilibrium between imports and exports of goods- covered by the foreign exchange brought by tourism). The picture becomes quite different, however, if border transactions are included. It was estimated, for example, that foreign tourists who visited the Mexican interior spent 134.2, 145.1, and 139.4 million dollars in 1958, 1959, and 1960, respectively, while border tourism brought in an additional 315.6, 354.0, and 366.0 million dollars (Secretaría de Turismo, 1990: 374). Actually, when border transactions are included the total value of the country’s eight principal export commodities came to only 69 percent of Mexico’s income from tourism in 1959 (Wilkie, 1970: 154). Nevertheless, by the late 1960s the structural disequilibrium of the Mexican economy was becoming acute. Indeed, between 1962 and 1970 the trade balance deficit increased from USD \$120 million to \$924 million (Fernández Christlieb & Rodríguez Araujo, 1985: 97).

The serious imbalances in the country’s external accounts were the result, after all, of an import replacement model which had been concentrated on the internal market, and neglected the promotion of Mexican export goods. Consequently, the Mexican leadership was confronted with a situation in which “economic expansion depends on the ability to import but exports were not expanding rapidly enough” (Teichman, 1988: 40). Essentially, by the second half of the 1960s state managers were recognizing that, without abandoning the industrial import substitution model, some sort of export strategy was required in order to deal with the increasing external deficit of the Mexican economy. It was precisely in such a context that state elites began to see the promotion

of tourism as a policy to alleviate the foreign exchange problem. Actually, as early as 1958, officials at the Consejo de Fomento y Coordinación de la Producción Nacional recognized that the government's aim of promoting tourism was to alleviate the trade balance deficit (Archivo General de la Nación, 1958, ALM, c. 726, exp. 548/67). The administration of Gustavo Díaz Ordas (1964-1970) acknowledged the contribution made by tourism to alleviate the trade balance deficit (Departamento de Turismo, 1970: 3). President Luis Echeverría Álvarez (1970-1976), however, remarked quite clearly the importance of the leisure industry as a source of foreign exchange. In his opening speech he stated that his government aimed to invest in tourism infrastructure, and when visiting Cancun in the initial phase of the construction of this beach resort, he declared that US dollars brought by American visitors would be used to buy the machinery that "We, Mexicans" need to push on our industrialization process (Archivo General de la Nación, 1971, LEA, 486, c.2).

In summary, trade balance deficit, excessive foreign ownership, social inequality, and internal migration were symptoms of a path of development which was showing, during the latter half of the 1960s, its own contradictions and limited capacity to sustain growth (Fitzgerald, 1978: 264). Renewed state intervention, including the promotion of tourism, was the response of the administrations of Díaz Ordáz (1964-1970), and particularly that of president Luis Echeverría (1970-1976), to the obstacles that Mexican development was encountering at the time. State activism during these two periods was primarily oriented to provide the productive apparatus with the intermediate goods (electricity, oil, iron, cement, fertilizers) that industrial growth required. Additionally, state action aimed to alleviate some of the social costs caused by a pattern of development which had led to the formation of a landscape distinguished by huge

disparities between rich and poor. In this respect, the *Compañía Nacional de Subsistencias Populares* (Conasupo) was created in the 1960s. Through this government agency popular sectors had privileged access to basic products (Casar & Peres, 1988: 29). Social and political factors induced the Mexican state to intervene in the sugar industry. Depressing economic conditions in a sector in which around 1.5 million people were involved, pushed the government to take an entrepreneurial role. By 1969, 30 percent of the production was controlled by the state, whereas 71 percent of the sugar industry was government owned in 1976 (Igartúa, 1987: 28, 39). Industry, however, particularly oil, steel and electricity, concentrated the bulk of state investment. While 31 percent of government financing supported the industrial sector in 1965, that figure increased to 52 percent in 1977 (Ramírez Brun, 1980: 63). Direct state involvement in the steel industry, for example, aimed to assist the process of import substitution, and to accomplish regional development objectives. The *Las Truchas* project, a government owned steel plant (Sicartsa), began to be constructed in the Pacific coast in 1971 (Zapata, 1990: 311). In short, the Mexican state augmented its participation in the national economy because of its continuous support of import substitution or due to political and social motives.

Domestic Politics, External Influences and Tourism

I. Authoritarianism and a Tourist Boycott

Whereas ruling elites responded to the economic problems of the late 1960s by expanding the interventionist character of the Mexican state, the national leadership resorted to authoritarianism and selective repression when social actors expressed their discomfort with an economic model which had widened the gap between rich and poor.

and a political system which had restricted the participation of distinct social actors. Labour discontent sparked when in 1954 the government announced a 44.5 percent currency devaluation which was followed by inflationary pressures on the cost of rent, food, clothing, electricity, and transportation. In 1955, for instance, the rate of inflation was 16.0 percent (Middlebrook, 1995: 214, 216). After threatening with a general strike, the Confederation of Mexican Workers (CTM) and its affiliated unions entered into new wage agreements and secured increases in their members' wages. It has been recorded, for example, that salaries increased from 10 percent in the petroleum industry to 30 percent in the restaurant and hotel industry (1995: 219). However, labour dissatisfaction continued among workers in sectors such as communications, education, and agriculture (Cockcroft, 1983: 223).

By the late 1950s and 1960s, the labour movement was demanding increases in minimum wages, and opposing false leadership in the unions. Independent unions were emerging, for example, among the railway workers, teachers, and peasants (Teichman, 1988: 41). For the governing elite, however, working class mobilization posed a threat to the economic success of import-substituting industrialization and they responded with repression. In 1958, for instance, a demonstration of the teachers' union was repressed by the police. This workers' organization had been headed by independent leader Othón Salazar (Smith, 1990: 110). In addition to the teacher's movement, between 1958 and 1959 the 60 thousand members railway workers' union carried out a series of strikes demanding wage increases. Afraid of the contagious effect which the railway labour movement could have on other dissident unions such as telephone operators, and oil workers, the government (first president Adolfo Ruíz Cortines and

later on president Adolfo López Mateos) broke the strike with troops and jailed its communists leaders Demetrio Vallejo and Valentín Campa (Cockcroft, 1983: 223).

The railway workers' union was not the only dissident movement to be crushed by a political class which was finding it difficult to cope with criticism and new leaders who did not adhere to the traditional workings of organized labour. Though excessive violence was not exerted during the doctors' strike (1964-1965), reprisals in the form of arrests and firing occurred (Teichman, 1988: 41). Such a course of political action, however, implied that the Mexican state's admired ability to maintain political stability without using excessive force was being questioned. In fact, the regime's legitimacy was severely debilitated when the government of president Gustavo Díaz Ordaz brutally repressed a student's demonstration taking place in the Square of the Three Cultures in Tlatelolco in 1968. For a regime which has generally preferred co-optation to repression, and which did not have to rely on hard-line military factions (Argentina) or a security police (Brazil) (Kaufman, 1977: 227) to impose harsh government policies, the use of naked force against its own young came to mark a turning point in the course of Mexican politics. On the one hand, the 1968 student uprising would have lasting effects on the gradual political liberalization of the regime, and on the other, Mexico's tourism would continue to benefit "not only from the country's geographical and natural beauty..." but from a development model that managed to preserve political stability (Levy & Székely, 1987: 211).

The new government of president Luis Echeverría Álvarez (1970-1976) realized the major political crisis that the regime was facing and sought to restore its legitimacy by accepting greater criticism and diversity of public opinion, and granting some tangible

benefits to dissatisfied groups. Consequently, more financial grants were extended to the universities, the formation of small leftist organizations like the Mexican Workers Party and the Socialist Workers Party was encouraged, and most of the participants in the 1968 disturbances were not only freed but given government posts (Meyer, 1995: 150-151). Though these measures were important steps toward recognizing the legitimacy of opposition groups, the changes were, as Loaeza has argued, "more attitudinal than institutional" (Loaeza, 1994: 109). In the economic realm the new administration's program, which came to be known as "shared development", placed emphasis on redistributive and social welfare measures (Teichman, 1988: 45). This emphasis on redistributing the benefits of growth would lead to an expansion of state activity in the economic sphere which Mexican business groups began to see as a threat to private enterprise. Story has pointed out, for instance, that business organizations such as the National Chamber of Manufacturing Industries (CANACINTRA) criticized increased government involvement in the distribution of basic commodities, increases in minimum wages, and price controls (Story, 1980: 4). In brief words, "President Echeverría alienated the private sector with his anticapitalist rhetoric and unpredictable populist policies... (Ibid).

President Echeverría, who was frequently critical of the United States, attempted to place Mexico as a leading country in the Third World movement, travelled widely (visiting China in 1973), and welcomed hundreds of Chilean exiles after the coup of 1973 (Smith, 1990: 128). Though such populist foreign policy stances would strengthen the regimes' support among many intellectuals, bureaucrats, and other nationalists, an easy leftism in foreign policy would also have repercussions on Mexican tourism. While Mexican foreign policy had resisted the U.S. pressure to express the country's

disapproval of the left-wing government of Guatemala under Jacobo Arbenz in the mid 1950s, and did not condemn Cuba or support her exclusion from the Organization of American States (OAS), it could not anticipate the Jewish reaction to a UN General Assembly resolution in 1975. That year, when president Echeverría instructed the Mexican ambassador to support a UN General Assembly resolution equating Zionism with racism, a flood of angry cancellations in resort areas resulted (Francisco, 1983: 367). The next time around Mexico would quietly abstain (Smith, 1990: 128), seeking with difficulty to soften its position and restore good-will among American Jews (Francisco, 1983: 367). Due to the tourist boycott organized by American Jewish organizations 68,000 hotel bookings were cancelled in Acapulco, and 60,000 in Mexico City. Interestingly, it was Miguel Alemán as head of the National Tourism Council, rather than the secretary of Tourism, who helped to reconcile the disagreement between the Jewish organizations and the Mexican government. He travelled to New York where he held a meeting with Jewish leaders in the Hotel Pierre and convinced them to go to Mexico in order to talk to president Echeverría. Before the Jewish committee travelled to Mexico, the Secretary of Foreign Affairs, Emilio Rabasa, visited Israel (Guajardo, 1995: 168). In short, whereas Mexican tourism would not be severely affected when the country sought to achieve greater independence of action from the shadow of its northern giant neighbour, the Jewish tourist boycott came to demonstrate how vulnerable this economic activity can be to showcase expressions of the country's foreign policy. This event not only demonstrated the centrality of the American traveller to the Mexican tourist industry, that is asymmetrical interdependence, but exhibited the international political forces which, at some point in time, influenced tourism in Mexico.

II. Government Ambivalence and Tourism

There is evidence which indicates that tourism, including border transactions, was becoming an important part of the Mexican economy by the late 1950s. Cline, for example, pointed out that in 1958 the contribution of the tourist dollar to the gross national product outranked mining, petroleum, construction, or transport (Cline, 1962: 296). Reynolds, for instance, noted that the share of commodities in total exports of goods and services fell from 75 percent in 1940 to 58 percent in 1964, while tourism plus border transactions rose from 23 percent to 38 percent of total exports (Reynolds, 1970: 212). The increasing significance of tourism in the economic structure of the country also led to the formation of a business class which, grouped around organizations such as the Mexican Hotel Association (AMHRM), lobbied the Mexican government to augment its expenditures on tourism. (Brandenburg, 1964: 310). In 1953, members of the Mexican Tourism Association proposed the government to give them back the subsidies that official bodies such as National Railways, Petróleos Mexicanos and Bank of Mexico used to grant them (Archivo General de la Nación, 1953, ARC, c. 891, exp. 548/2).

Despite the fact that political leaders like Adolfo Ruíz Cortines (1952-1958) and Adolfo López Mateos (1958-1964) would not match Miguel Alemán's administration level of assistance to the tourist industry and its business class, this economic activity was not overlooked. In the end, both presidents backed the development of tourism although president Ruiz Cortines, for example, was not totally convinced of the benefits that such activity could bring to the country. Miguel Guajardo, the son of Acapulco hotelier Arturo Guajardo, narrates an interesting meeting he and other businessmen had with

PRI presidential candidate Ruíz Cortines when the latter visited the beach resort at their invitation. During the visit they explained to Ruíz Cortines their idea of the future development of the port of Acapulco. The plan included the construction of a new highway, a commercial port, and of an industrial area. The presidential candidate remained in silence during much of the time his hosts were giving him details of the improvements that the beach resort required. But when his hosts mentioned that the construction of a residential area for the workers was also included in the plan, then Ruíz Cortines said: "It is a good thing that you are also taking into account the Mexicans, because Acapulco is also Mexico". A week later, when the group of business men from Acapulco paid a visit to Ruíz Cortines after his inauguration as president, he received them in a friendly manner but said: "Well gentlemen, the federal government has done a lot for Acapulco, now it is your turn, what are you going to do?" (Guajardo, 1995: 45-46). Siding with Acapulco hoteliers, the president of the national union of journalists, Jose Luis Parra, sent a telegram to the presidential office complaining about the negative propaganda which was affecting the image of the resort. That propaganda used the presidential expression "Acapulco también es México" to complain of expensive hotel tariffs. Mr. Parra denied visitors were victims of hoteliers abuse (high hotel tariffs) (Archivo General de la Nación, 1953a, ARC. C 891, exp. 548/29). The anecdote should not be interpreted as hostility to tourism growth by the administration of Ruíz Cortines, but as disapproval of the course that the development of the industry was taking in places such as Acapulco.

Portrayed as a hallmark of the modern nation of *alemanismo*, Acapulco had been attracting celebrities like Merle Oberon, dignitaries like Lyndon B. Johnson, and other members of the metropolitan social elite. But the port was also attracting migrants who

were settling in zones of the tourist city which lacked basic urban services such as a sewage disposal system and electricity. Odening has noted that the slum *La Laja* was formed in the late 1950s when migrants seized land in the northern part of Acapulco where they started building their houses (Odening, 1977: 63). Tourism in Acapulco, as with industry in large urban areas, was demonstrating that the country's path toward development was not incorporating all segments of Mexican society. But if social disparities were becoming a common feature of Mexico's economic progress, as the case of Acapulco illustrates, this fact did not mean that a political figure like president Ruíz Cortines was a champion of social equality. In fact, his reservations with the tourism expansion of *alemanismo* did not connote an anti-tourism stance. More important, his position with regard to tourism casts some light on a major characteristic of the Mexican polity of the time. It tells us that in a society and regime characterized by limited pluralism such as the one of the 1950s, policymaking was largely, although not exclusively, determined by the contradictions, "tugs of conflicting goals and interests, and interbureaucratic struggles within" the ruling coalition (Levy & Székely, 1987: 122). In other words, the relative absence of demands and pressures emanating from the interest of various groups which were not part of the revolutionary coalition, should not lead us to think that conflict, bargaining and conciliation were alien aspects of the Mexican regime and its political class. After all, the latter was "a heterogeneous grouping of socio-political actors and competing interests... (Middlebrook, 1986: 124-124). For instance, well known as an honest administrator, Ruíz Cortines did not hesitate to send to prison one of Aleman's close associates who claimed to have built a very long but non-existent road for which he had been paid. In Calvert's words, "the monumental projects favoured by the previous administration were unobtrusively finished" (Calvert, 1973: 299). Nevertheless, tourism had become such an important

component of the national economy that president Ruíz Cortines backed, although moderately, the expansion of one of the emblems of *alemanismo*.

III. Early Institutions of Tourist Development

It was during the administration of president Ruíz Cortines that the foundations of key institutions charged with the promotion of tourism were laid down. In 1956, for example, FOGATUR (Tourism Guarantee and Promotion Fund) was created. As pointed out by Clancy, “FOGATUR served as both an institution of tourism promotion and a trust fund within the national development bank (NAFINSA). Its primary task was to underwrite private loans for tourism-related projects” (Clancy, 1996: 113). Jiménez Martínez has argued that the aim of this agency was to provide national entrepreneurs with financial credits which would enable them to construct hotels, given the already important presence of foreign capital (around 22 percent at the time) in the Mexican hotel industry (Jiménez Martínez, 1993: 45). FOGATUR initiated its functions with a 50 million pesos (about 4 million U.S. dollars) fund which was provided by the Federal government (Caballero, 1962: 113). It had a Technical Committee (Comité Técnico) which was integrated by representatives of the Ministry of Interior, Economy, the Treasury, Bank of Mexico and Nafinsa (Diario Oficial, 1956: 1,2). It has been estimated that between 1957 and 1958 the institution granted loans for a total of 12.7 million pesos, 60 percent of it for the tourist industry of Mexico City, whereas the states of Sinaloa and Sonora received 17 percent of the allocations, and San Luis Potosi alone received 8 percent respectively (Jiménez Martínez, 1993: 46). Though it was not the first time that the Mexican government was channelling resources to support tourism development (as has been noted in chapter V, the administration of Lázaro Cárdenas –

1934/1940- created Crédito Hotelero), the formation of FOGATUR came to be the first stage of an evolving strategy to give active financial assistance to tourism development. As Cowan has pointed out, “although funds were channelled only to a small clientele of entrepreneurs in the beginning, FOGATUR exemplified the government’s resolve to finance tourism projects” (Cowan, 1987: 77). In short, if Ruíz Cortines was not an enthusiast of tourism development, he did not oppose its expansion. In his view, the role of the state was that of facilitator of economic activities which (as in the case of tourism) should be developed by the private sector (MacDonald Escobedo, 1981: 141).

By 1958, when Adolfo López Mateos became president, Mexico received 697,000 foreign tourists (Secretaría de Turismo, 1990: 373). Realizing the importance of tourism for the national economy, the new president did not hesitate to promote it. In fact, in that same year he created a Tourism Department responsible to the Federal Executive (Instituto Mexicano de Investigaciones Turísticas, 1980: 15). The government’s attempt to include rational practices for the management of Mexican tourism also led to the formation of the Mexican Institute of Tourism Research in 1962 (Aguilar Uribe, et al., 1990: 63). It was hoped that by bringing this institute into being a more comprehensive analysis of the tourism phenomena would give state officials an invaluable guide to plan its development. In his 1959 State of the Union Address, López Mateos declared:

“In the field of tourism it is the intention of the Government to increase by modern methods the number of Mexican nationals and foreigners who, by visiting the various regions of the country, can better appraise the country, further the bonds of human understanding, improve individual and collective culture, and intensify the nation’s economic movement” (Cámara de Diputados, 1966a: 689).

Despite the fact that by the end of the 1950s most countries in the Third World were already engaged in planning activities (Escobar, 1992: 136), this impulse for the

application of scientific and technical knowledge to formulate a comprehensive program of development was reinforced with U.S. president Kennedy's Alliance for Progress. In his presidential address of 1961 he stated, "...we offer a special pledge – to convert our good words in good deeds - in a new alliance for progress – to assist free men and free governments in casting off the chains of poverty" (Ibid: 136). Due to diminished domestic and foreign investment in 1960-62, the Mexican government decided to prepare a Plan of Immediate Action for 1962-1964. As pointed out by Shafer, "one of the uses of such a plan would be the acceleration of lending under the Alliance of Progress by meeting the planning requirements of that agreement" (Shafer, 1966: 57). Actually, the Tourism Department's Bureau of Planning together with the Ministry of the Presidency were developing national tourism plans (1966: 95). When addressing members of congress in 1962, president López Mateos declared that the National Tourism Plan had been concluded (Cámara de Diputados, 1966a: 783-784). By 1963, FOGATUR's financial resources totalled \$ 98 million pesos, whereas the Department of Tourism received \$ 69 million pesos from the federal budget (Ibid: 825).

Mexican tourism would not only benefit from government backing via institution building and the planning powers associated with the financial assistance provided by the Alliance for Progress. Other world political events, in particular the Cuban revolution, came to play an important role in the expansion of tourism. As Ramírez has noted, Mexico and particularly the port of Acapulco benefited from the closure of Cuba, specifically La Habana, as an international resort due to the triumph of the revolution led by Fidel Castro in 1959 (Ramírez, 1992: 19). In Schwartz's words, "by the time Castro nationalized U.S. property in October 1960, most North Americans already had scratched Cuba off their lists of desirable travel destinations"... after all... "they had

their choice of sunny beaches and gambling casinos elsewhere in the Caribbean” (Schwartz, 1997: 203). George Smathers, senator from Florida, suggested U.S. citizens should be discouraged from travelling to Cuba and encouraged to visit instead such friendly Caribbean nations as Haiti (Welch, 1985: 109). The U.S. government policy of prohibiting American citizens to travel to Cuba would ultimately benefit tourism in Mexico. There is no evidence, however, that Mexican officials reacted to such course of American government action. Therefore, the political tension between Cuba and the U.S. was a fortuitous event which diverted the tourist flow toward Mexico. By 1960 the U.S. government had urged its citizens not to travel to Cuba; a year later, 1961, the U.S. State Department proclaimed that “citizens travelling to Cuba must obtain passports specifically endorsed by the State Department for that destination”; by 1962, the Kennedy administration made most travel to Cuba illegal for U.S. citizens (Franklin, 1997: 30, 35, 66). However, tourism was not the only industry to gain from the U.S embargo, the Mexican sugar production increased its share in the U.S. market as a consequence of the decision of the American government of stopping buying the Cuban sugar quota (Igartúa, 1987: 21).

Paradoxically, the rise of Fidel Castro in Cuba not only complicated the domestic scene in Mexico, “intertwining local and international issues” (Cline, 1967: 413), but would lead to the formation of another government agency involved in tourism promotion. When López Mateos became president, he had to deal with the sensitive issue of prominent political leaders like ex-president Lázaro Cárdenas who were openly sympathetic toward the Cuban revolution. In his memoirs Cárdenas recounted a meeting he held with president López Mateos in 1961. In that meeting president López Mateos expressed his worries about Cardenas’ intention of going to Cuba when the American

navy and air force were threatening the island. The president said, "It is too dangerous this trip", ... "Mexico is in a difficult situation; tourism income has declined. Foreign propaganda is intense, and I think we should not get involved in an alien dispute" (Cárdenas, 1973: 213-214). After visiting La Habana at Castro's invitation, ex-president Lázaro Cárdenas not only tried to influence the general public into demanding that the country side with Castro (Brandenburg, 1964: 115), but acclaimed the Cuban agrarian reform and suggested that Mexico should revive its own earlier radical agrarianism (Cline, 1962: 321). Masterly, although surprising some domestic and foreign observers, especially the Eisenhower administration in the United States, López Mateos countered this apparent challenge, "by declaring himself to be on the extreme left within the Constitution" (Smith: 1990: 114), and by creating an array of government agencies as a way of keeping together the diverse interests of the PRI ruling coalition. As stated by Brandenburg, "the appearance of Revolutionary extremist organizations reflecting domestic and foreign-policy cleavages influenced López Mateos' decision to appoint seven ex-presidents of Mexico to formal government positions" (Brandenburg, 1964: 115). Among the living ex-presidents were Lázaro Cárdenas and Miguel Alemán, the two leading figures representing the left and right wings within the ruling group.

In 1961 Cárdenas became the head of the *Río Balsas* Commission, and Miguel Alemán was appointed head of the National Tourism Council. Interestingly, the creation of such government agencies expressed, more than a well orchestrated effort to manage economic or development affairs, a major feature of the Mexican polity. Namely, a central aspect of the country's polity of the time which was to maintain together, through a constantly renewed political bargain and the creation of institutional mechanisms, diverse elements of the ruling coalition "representing a broad range of

ideological tendencies and social bases” (Purcell & Purcell, 1980: 195). Thus, the public resurgence of great men like Cárdenas and Alemán, was shaped by the repercussions of such international events as the Cuban revolution which came to make apparent the political and ideological struggle within Mexican political ranks.

With the creation of the National Tourism Council in 1961 ex-president Miguel Alemán would continue to play an influential role in the promotion of this economic activity. He was the only chief that this government agency had in its 20 years life. Apart from the work of Guajardo (1995), the lack of scholarly research devoted to the study of the National Tourism Council and the role that ex-president Miguel Alemán played as its head is remarkable. According to a former high official of the tourist sector, the National Tourism Council had its own budget which was managed independently, and it had promotional offices abroad. It was headed by an ex-president who still had political power... (and in consequence successive presidents) listened to him... In the end, the role of the Secretary of Tourism was relegated... (Interview, Antonio Enríquez Savignac, 13-02-2002). As has been noted, when an institution is headed “by an ex-President with powerful allies in government and in banking circles the problems of authority are compounded” (Stansfield, 1980: 230). According to Stansfield, the secretariat of tourism was unable to impose its authority over agencies such as FONATUR and the National Tourism Council, “which have established their own networks of contacts and clients” (Ibid). It is clear that there was rivalry between these government bodies. In 1962, the National Tourism Council (NTC) regarded the so-called Special Program of Tourism Development 1962-1964 as a too ambitious project. The NTC commented that the scale of the program was so large that bureaucratic obstacles would make it difficult to carry it out. The program had been elaborated by the

Department of Tourism and the Ministry of the Presidency. The Planning Office of the Ministry of the Presidency, however, argued that the remarks made by the NTC were erroneous and that no bureaucratic obstacles would be faced at all (Archivo General de la Nación, 1962, ALM, c. 726, exp. 548/62).

The leverage of Miguel Alemán was felt in various episodes of the history of Mexican tourism. Guajardo has noted, for instance, that as head of the National Tourism Council, Miguel Alemán played a decisive role in the governments's decision to build a convention center in the port of Acapulco during the administration of president Luis Echeverría (1970-1976) (Guajardo, 1995: 176). As a manifestation of the financial strength of the NTC, Molinero pointed out that the agency launched a \$7 million promotional campaign in 1980 (Molinero, 1982: 30).

IV. Revolutionary Cuba, Mexican Foreign Policy and Tourism

With American tourists alone contributing 90 percent of the entire tourist income in 1950 and 80 percent in 1960 (Brandenburg, 1964: 223), and in a time when a contest between capitalism and socialism -Cold War- was the hallmark of international relations, concern arose regarding the position the Mexican government would take with respect to the new regime in Cuba. The Cuban revolution came to be a test for Mexican foreign policy, and demonstrated that tourist dependency does not always translate into political compliance. Thus, despite the fact that Mexican tourism has always relied on the American market, this aspect did not transform into mechanical political support for U.S. policy. For example, while president López Mateos instructed his representative at the Organization of American States (OAS) to vote in favour of a

resolution demanding the withdrawal of the Soviet missiles from the island during the crisis of 1962 (Smith, 1990: 116), “Mexico remained the only country in the hemisphere to have diplomatic relations with Cuba”, and “...refused to join in the condemnation of Cuba or to support her exclusion from the OAS” (Calvert, 1973: 301). The U.S. government was not pleased with Mexico’s foreign policy, and American newspapers and magazines reacted angrily by saying that Mexico was a communist country and signs were placed in sites near the border in order to discourage U.S. nationals from visiting their southern neighbor. In the II Parliamentarian Conference celebrated in the city of Washington in 1962, Mexican senator Carlos Román Celis raised the issue with his American counterparts (Moreno Toscano, 1969: 224). In the end, such diplomatic controversies did not prevent the country from receiving foreign (primarily American) investment and tourists. Actually, Cumberland has noted that by 1965, Mexico had become one of the favorite spots for U.S. investors who, having holdings of more than a billion dollars, concentrated around two thirds of them in manufacturing (Cumberland, 1968: 319).

In 1964, the last year of the administration of López Mateos, 1.2 million foreign tourists, particularly from the United States, had visited Mexico (Secretaría de Turismo, 1990: 373). Thus, by the mid 1960s Mexico had not only become an important recipient of foreign investment, but increasing number of travellers were visiting it, in particular the capital city, the port of Acapulco, although “border tourism... continued to make up the bulk of foreign arrivals to the country” (Clancy, 1996: 118). In fact, it can be assumed that continued problems associated with border tourism, led the government of López Mateos to initiate a multimillion-dollar cleanup campaign of cities on the U.S.-Mexican border (Brandenburg, 1964: 118). In order to stimulate to a maximum degree

the foreign tourist travel flow toward northern border cities, the Mexican government carried out several works which aim was to improve the general environment of these sites (National Border Program, 1961).

In summary, aided by the planning requisites of the U.S. Alliance for Progress, and shaped by the political repercussions of the triumph of the Cuban revolution, president López Mateos continued supporting tourism development. His government gave direct assistance to the sector by channelling, although in limited amounts, financial resources for the construction of tourist facilities such as hotels. For example, the capital of FOGATUR, the trust fund within the main national bank (Nafinsa), totalled 109 million pesos (about USD \$8 million) in 1964 (MacDonald Escobedo, 1981: 152). In that same year, the Mexico's Department of Tourism had established 15 promotional offices abroad, in addition to those set up by the National Tourism Council which was headed by ex-president Miguel Alemán (Jiménez Martínez, 1993: 79). In spite of the organizational structure which was created during the administrations of both presidents Ruíz Cortines (1952-1958) and López Mateos (1958-1964), the state financial backing to tourism was not massive. For example, since its inception in 1959, the budget of the Department of Tourism represented between 0.15 percent and 0.32 percent of total federal expenditures (See appendix 7). Nevertheless, as Jud has rightly argued, "eventhough tourism in Mexico was not a conscious child of public policy it was in large measure responsible for it" (Jud, 1974: 26). It should be borne in mind, however, that during that time the bulk of government expenditure was not channelled through the Department of Tourism but via FOGATUR. Furthermore, tourism was largely supported by public monies invested in infrastructural projects such as roads and

airports. As appendix 8 shows, large amounts of government expenditure concentrated on that sector).

The Politics of Mexican Planned Tourism

I. The Birth of a Planning Approach Towards Mexican Tourism

As was indicated in the first sections of this chapter, by the late 1960s there was evidence of the limitations of a path of economic growth which had rested on import substituting industrialization strategies. Consequently, state elites in Mexico were in critical need of development alternatives, “or at least complementary paths for economic growth” (Torres, 1997: 118). Though the developmental nature of tourism had not been ignored by government officials, the promotion of this activity, especially through the creation of the so-called Integral Tourist Centers in the late 1960s, came to be part of an export-oriented economic strategy of the country. Officials at Bank of Mexico were concerned with the deficit of the country’s trade balance. By 1970, the deficit of the balance of payments (which includes both goods and services) amounted to \$USD 889 million (Banco de México, 1972: 12). It was pointed out that, in such a context, “those economic activities (such as tourism) with a potential to generate foreign exchange have acquired a vital function within overall development strategy” (Ibid: 1). However, the Mexican leadership’s pressing need to solve the country’s balance of payments deficit via tourism expansion, was favoured because of international developmental institutions’ willingness to support such economic activity as a way of fostering economic growth in third world countries. For the United Nations, tourism was an important invisible export which could “make a vital contribution to the economic growth of developing countries”, and consequently, “governments may have

recourse to the external financing of general infrastructure” (United Nations, 1973: 52). It was noted that, “apart from making its traditional loans for the building of the general infrastructure, the World Bank Group is prepared to assist in the financing of comprehensive tourism development schemes...” (Ibid: 59). Actually, funded by a USD \$100 million loan of the World Bank and the Inter-American Development Bank, the construction of tourist infrastructure had already been contemplated in a five-year plan for the years 1969-1973 (Plan Quinquenal de Desarrollo Turístico 1969-1973) (Jiménez Martínez, 1993: 84).

Another factor influencing the decision to embark on an ambitious policy aimed at constructing large scale planned beach resorts, was the position of Mexico’s tourist industry with respect to that of other destination countries which were competing for the same sun, sand, and sea market. Actually, by the late 1960s, it became clear to the Mexican authorities “that tourism in the country was lagging behind Hawaii, the Caribbean and other destinations” (Inskeep, 1994: 145). High trained officials at Bank of Mexico carried out, between the late 1960s and early 1970s, several studies in which the tourist industry of various Caribbean nations and that of different Mexican sites were analysed. From those works, officials like Antonio Enriquez Savignac who headed INFRATUR and FONATUR from 1969 to 1976, concluded that Mexico was loosing an important share of the market, particularly in the Caribbean and the Pacific coast. It was calculated that between 1960 and 1967, Mexico’s share in the international tourism market had decreased around 4 points, from 11.1 percent to 7.6 percent (Banco de México, 1972: 11). The study “Tourism in Hawaii” showed that the island was not solely the main destination in the Pacific for American travellers, but that arrivals averaged 20.1 percent annually in the 1958-1970 period (Banco de México, 1972a: 1).

The study "Tourism in the Caribbean" estimated that the annual rate of arrivals to that region was 16.0 percent between 1961 and 1970 (Banco de México, 1972b: 3). Mexico, in consequence, had to catch up international demand. The resorts of Cancun in the Caribbean and Ixtapa-Zihuatanejo in the Pacific came to be the response of Bank of Mexico to trends in demand.

By planning the development of the new large scale beach resorts the Mexican government sought to overcome some of the more negative aspects of unregulated tourism development. According to Collins, much of tourist development in Mexico and elsewhere before the 1970s was not planned. It grew, he continues, "like Topsy, treated more like a windfall than an industry" (Collins, 1979: 353). Acapulco, for example, had become a typical example of the lack of tourism planning. As Long has pointed out, "there, unplanned tourism development has resulted in a polluted bay and a large squatters' settlement" (Long, 1991: 207). In Acapulco *ejido* land was expropriated and transformed for commercial and tourist purposes without following a plan of the ideal resort city. Additionally, the tourism boom experienced by the port had attracted large numbers of people from other parts of the country in search of jobs. In fact, between 1960 and 1970 an average of 20,000 migrants arrived in Acapulco every year (Ramírez, 1992: 28). Such a pattern of tourism expansion led to a disorganized urban agglomeration characterized by the exclusion of the poor from land, housing and basic services (Ibid: 17). It has been estimated, for instance, that by 1970 54 percent of the population of Acapulco lived in *colonias populares* (poor neighborhoods) (Schornick, 1977: 45). In short, the ills of the development of the tourist industry in Acapulco would force state officials to reconsider the Mexican government's policy on this sector (Gormsen, 1977: 10). In the end, planning emerged as the core of a new strategy to

promote tourism in which the Mexican state came to play the role of banker, provider of infrastructure and entrepreneur.

The new Mexican state's ambitious plan for promoting tourism, above all, was development oriented. By the mid 1960s officials of the Bank of Mexico, particularly its subdirector Ernesto Fernández Hurtado, were concerned with the precarious economic situation of the country. A major concern for these managers was Mexico's structural inability to attract foreign exchange which could offset the balance of payments deficit. In consequence, the Bank of Mexico carried out a study the main purpose of which was to identify those economic activities with the highest potential for attracting foreign exchange earnings. Having identified tourism as a promising sector which could bring – in a short time- the required hard currency to finance development, a two year (1968-1969) study followed in which a detailed analysis of the country's tourist facilities was undertaken (Romero, 1988a: 112). One of the conclusions of this two-year study was that if Mexico wanted to participate in the growing world tourist market of the time, and expand the country's exports, then some policy changes had to take place. Hence, it was recommended that a long term tourism policy should be established, with concrete objectives, adopting planning and development criteria, and the financial instruments for development and promotion (Inskeep, 1994: 145). Additionally, five sites were identified where integrated resort cities could be developed. All planned from the bottom up, and on the coast, the future resorts would be built in Cancun on the Yucatan peninsula, Ixtapa in the state of Guerrero, Bahías de Huatulco in Oaxaca, and both Los Cabos and Loreto on the western peninsula of Baja California (Clancy, 2001: 134). The first two projects to be carried out were Cancun and Ixpata-Zihuatanejo. Though there is no record of the original study which Bank of Mexico undertook between 1968 and

1969, the central bank, through INFRATUR, assessed the economic feasibility of the Cancun and Ixtapa-Zihuatanejo projects in 1971 (Banco de México, 1971, 1971a). In his opening speech to the national legislature in 1969, president Díaz Ordaz (1964-1970) had declared: “In a short time an important tourist integral infrastructure program would be carried out as a way of enhancing regional development. Its aim is not only to attract foreign exchange, but to use the resources available in the regions, and improve the living conditions of their inhabitants” (MacDonald Escobedo, 1981: 176).

II. State Intervention and Tourism Development

The monumental enterprise of embarking on the development of large scale integrated tourist centers, however, was taken by the Mexican government through the new agency INFRATUR. Founded in 1969 under the aegis of Bank of Mexico, the National Trust Fund for Tourist Infrastructure (INFRATUR) had been charged with the responsibility of renovating existing facilities and stimulating private investment (Instituto Mexicano de Investigaciones Turísticas, 1980: 19). In the end, INFRATUR was to be the primary state bureaucracy charged with preparing the master plans of the new resorts including land use zones, the transportation network, and the utilities system of water supply, electric power, sewage collection and disposal, and telecommunications (Inskeep, 1994: 147). Having legal powers such as the ability to expropriate land and enough economic resources, INFRATUR came to concentrate its first activities on the development of the resorts of Cancun and Ixtapa. Initial work in the latter was of such enormity that the Mexican state through the new INFRATUR agency was the only actor capable to carry it out. It was calculated that during the first four years of the construction phase of the Cancun project \$USD 41.5 million would be invested by the government, whereas the

total cost of the project, including private investment, would be \$USD 211 million (Banco de México, 1972c). While the private sector would take part in the project by channelling resources mostly into recreational facilities such as hotels, the federal government undertook the bulk of constructing the required infrastructure. For instance, in addition to the laying out of streets and roads, and the construction of an airport, it was the state's task to install the networks of pipes for drinking water, electric power lines, sewers, telephone lines, aqueducts, drainage canals, and wells for storing drinking water (Fonatur, 1988: 13). The Cancun project came to be another example of a pattern of state activism already seen in the promotion of other economic activities such as industrialization. As a matter of fact, government intervention in the case of the planned beach resort of Cancun concentrated, in an early stage, on those areas regarded as basic or necessary for the subsequent advancement of the private sector. For the UN, "quite apart from fiscal or other incentives granted to the private sector, it may be necessary for the state itself to undertake investment where private interest is lacking" (United Nations, 1973: 27).

State participation in Mexican planned tourism development, however, went beyond the provision of basic infrastructure. As Clancy has pointed out, "in addition to basic infrastructure, the state also took on projects viewed as necessary to attract foreign tourists yet unprofitable or profitable only over the long term" (Clancy, 2001: 134). Actually, FONATUR, the successor agency of INFRATUR, maintained direct investment in enterprises such as hotels, restaurants, golf courses, a central market and tennis complexes (Inskeep, 1994: 148). Such state activism occurred due to the private sector's unwillingness to become involved in an effort which, being in its initial phase, was seen as so risky. As argued by an official participating in the early stages of the

Cancun project, “nobody (entrepreneurs) wanted to come...we did not only build hotels, but schools, hospitals, even a church was constructed...In fact, domestic hotel chains owed much of its growth to Fonatur’s activism...” (Interview, Sigfrido Paz Paredes, 08-03-2002). In Spengler’s words, “if a superior alternative is not available and private initiative cannot be mobilized to undertake activities essential to economic development, recourse must be had to a public corporation or a state company *faute de mieux*” (Spengler, 1967: 231-232). In essence, by the late 1960s and early 1970s the federal government took a pioneer role in the making of the planned tourist cities. Thus, since the day field work at Cancun began in January 1970, it has become clear that the Mexican government has been the major force behind a new model of tourism development of the country (Cothran & Cothran, 1998: 479). It was the Mexican state, after all, which secured loans from foreign financial institutions for the construction of the tourist infrastructure of the new planned resorts. According to Torres, both the Inter-American Development Bank (IDB) and the World Bank granted a \$USD 47.1 million loan for building infrastructure in Cancun and Ixtapa in 1971 (Torres, 1994: 223). In this respect, though figures and dates are not included, official sources indicate that loans were secured from the IDB and the International Bank for Reconstruction and Development (the IBRD is part of the World Bank Group) (Banco de México, n/d). Clancy notes that the IDB approved two further loans for Cancun; the first in 1976 financed much of the second stage of construction of the resort with twenty million dollars (Clancy, 2001: 134). Furthermore, it has also been documented that the Mexican government secured a 92 million dollar loan from both private U.S. banks and the World Bank for the construction of the planned resorts of Baja California (García de Fuentes, 1979: 27).

III. Institutional Strengthening

The administrative and technical capabilities for developing the tourist integral resorts and undertaking major future tourist development were enhanced when, in 1974, two significant institutional changes were implemented. In that year, the Department of Tourism which was founded in 1959 was elevated to a cabinet status with the name of Secretariat of Tourism. Having the rank of a federal ministry, the Secretariat of Tourism became “part of the nuclear organization of the executive power” (Torres, 1997: 197). Additionally, “the state funding mechanisms FOGATUR and INFRATUR were merged into FONATUR, the National Fund for Tourism Development” (Clancy, 1996: 138). In its first phase, and for operational reasons, the new agency was organized as a trust fund of the major national development bank Nafinsa (Fonatur, 1988: 13). Although it is difficult to find a single agency which could handle all the many roles involved in the guidance of economic change, FONATUR (Fondo Nacional de Fomento al Turismo) came to act “as the principal planner, consulting architect and real estate supplier to the country’s major tourism ventures...” (Cothran & Cothran, 1988: 479). It became responsible for handling land acquisition and expropriation, marketing, courting foreign investors, as well as coordinating infrastructure and community relations (Long, 1991: 207). But the most important aspect which came to enhance the strength and increasing autonomous role of the institution was the fact that since its inception, FONATUR has underwritten loans to private investors in cooperation with the Mexican banking system. For instance, between 1975 and 1978 around 50 and 70 percent of the annual total investment in the tourist sector involved financing arranged through or guaranteed by FONATUR (Truett & Truett, 1982: 14). In doing so, the Mexican government, through FONATUR, encouraged and safeguarded the participation of the private sector in the

tourism sector. In other words, this government agency played more than a planning function, it determined the channelling of a significant part of private investment into the construction of hotels and other installations, and the provision of other tourist services. In short, FONATUR not only became the guiding agency responsible for the promotion of the integral resort cities and other tourist policies, but the main state actor assisting the process of capital accumulation in the Mexican tourism economy.

In essence, by the late 1960s a renewed Mexican state activism in the promotion of tourism was guided by an overall philosophy of comprehensive federal planning. In this new stage the federal government created an administrative milieu congenial to tourism development, and made enormous investments not only in airports and roads, but constructed complete resort cities from the ground up. As Cooper Alarcón has noted, "...between 1968 and 1988 Mexico successfully carried out an endogenous twenty-year plan in which tourist communities at Cancun, Ixtapa, and Los Cabos were built" (Cooper Alarcón, 1997: 177). Such extensive involvement of the state in the promotion of an economic activity was not exclusive of tourism. As appendix 8 shows, financial backing to industrial development (particularly oil, electricity and steel) was significant in the 1970s.

IV. Technocrats and Mexican Tourism

Institutional reform and financial backing were not the only factors supporting the development of a new official tourism policy embodied in the promotion of the planned resort cities. The latest government's conception and approach to Mexican tourism was, above all, the result of the ascending role of quasi-orthodox technocrats, especially of

those working in key financial institutions such as Bank of Mexico and the Treasury. The privileged position within the government apparatus that these top bureaucrats came to have was a decisive factor in the birth of the integral planned resorts, in particular Cancun. Interestingly, this cadre of quasi-liberal² state managers would play a leading role in the promotion of the planned resort cities, at the same time that an adversary group of reformist or populist technocrats in the Secretariat of the Presidency and Secretariat of National Patrimony were advocating an alternative national development strategy to the stable, non-inflationary economic growth model advanced by Treasury and Bank of Mexico officials. Thus, by the time the reformist technocratic faction headed by men like José Andrés de Oteyza, Hugo Cervantes del Río, Flores de la Peña and Carlos Tello had managed to gain some momentum by implementing policies favouring public spending (into state enterprises) as a way of sustaining economic growth, rival conservative technocrats of Bank of Mexico like Rodrigo Gómez, Fernández Hurtado, and Antonio Enríquez Savignac would become key players in supporting state action through the development of the tourist integral centers. Actually, by 1970 when the twelve-year secretary of the Treasury, Antonio Ortiz Mena (1958-1970) was removed from his post by the reformist bureaucrats, quasi-liberal technocrats like Enríquez Savignac from the Treasury's sister agency, Bank of Mexico, were commanding the major state effort to direct tourism in contemporary Mexico. In other words, the commencement of the most forceful state intervention in the promotion

² Used by Teichman, the terms quasi-liberal and quasi-populist refers to tendencies or orientations within the economic bureaucracy of the time (particularly in the administrations of Luis Echeverría –1970/1976- and López Portillo –1976/1982). This policy positions did not represent pure, distinct types. For example, neoliberal officials in the Treasury did not demonstrate complete faith in the free flow of market forces and opposed the country's entry into the General Agreement on Trade and Tariffs (GATT) during the administration of López Portillo. They were not against a strong state presence in such areas as petroleum, electricity, and mining. They were concerned, however, with the efficiency of public enterprises, and argued that development programs must be properly financed. The populist bureaucratic faction was concerned for the social implications of economic policy. This tendency, commonly associated with the interventionist philosophy espoused by a groups of economists at Cambridge University, favored an activist role for the state in economic planning and improving living standards (Teichman, 1988: 94-101).

of tourism took place in a political framework characterized by an interbureaucratic infighting which revolved around the issues of levels of government spending and public debt.

If during the administration of López Portillo the expansionist oil producing policy of Jorge Díaz Serrano, the director general of the oil government company PEMEX, encountered opposition from both technocratic factions, there is no evidence that the tourist policy envisioned and carried out by officials at the Bank of Mexico was severely affected by the continuous battle in which the two tendencies within the economic bureaucracy were engaged. One indication of opposition to the new tourist policy, in particular against the construction of the Cancun project, came from a few members of the cabinet of president Echeverría (1970-1976). According to Torres, though the Cancun project received the support of president Díaz Ordaz (1964-1970), the new president Echeverría did not have to respect the compromises of his predecessor and negotiations for building the resort city of the Mexican Caribbean had to start again. It was in this interim that the then secretary of the Presidency, Hugo Cervantes del Río, and the head of the Agrarian Department, Augusto Villanueva, pressured Echeverría to deny authorization to build Cancun (Torres, 1997: 259). In 1970, the Department of Tourism sent a letter to president Echeverría in which serious concerns were expressed regarding the feasibility of the Cancun project. The Department of Tourism, headed during that time by Agustín Olachea Borbon, made a technical evaluation of the project and concluded costs were too high. An official of the ministry of the presidency, Leopoldo Solís, did not agree with the Department's point of view. However, the official of the presidency agreed with some of the Department's concerns. One of these concerns was the value of the land to be sold by INFRATUR:

and the other was the way in which foreign investment was going to take part in the project... (Archivo General de la Nación, 1971a, LEA, 487, c. 3). But except for those signs of disapproval, it should be argued that state-led tourism expansion was facilitated because it did not come to seriously affect the constituencies or clientele associated with the policy orientations of other bureaucratic factions. Nevertheless, in spite of president Echeverría's backing of Bank of Mexico's tourist projects such as Cancun, he also had to give his support to tourism plans devised by other bureaucratic factions. In 1971, he declared that in addition to Bank of Mexico's new resort of Cancun, another tourism project was underway near the resort of Puerto Vallarta (Archivo General de la Nación, LEA, 1971, 486, c. 2). By assisting the development of the so-called *Fideicomiso Bahía de Banderas*, president Echeverría responded to the interests of populist official tendencies within the state apparatus (notably that of the head of the Agrarian Department, Augusto Gómez Villanueva).

IV.1. Antonio Enríquez Savignac

The new government's tourist policy was neither conceived nor carried out by officials of the existing Department of Tourism (and later Secretariat of Tourism), but by highly trained corps bureaucrats in the Bank of Mexico. Technocrats have become crucial personnel due to the government's commitment to economic transformation (Smith, 1979: 91), especially in those agencies such as the Bank of Mexico which evolved into the "keystone of a banking system whose intended orientation is the financing of growth" (Shelton, 1964: 117). Due to the active role of Bank of Mexico in promoting economic growth, it is not a coincidence that the upper echelons of its staff were the initiators of the future large planned tourist resorts. The initial push of the development

of the new government's tourism policy was led, after all, by Bank of Mexico's trust fund INFRATUR. According to one top bank officer of the time, in those years the central bank, which was subordinated to the Treasury but not to the government (sic), played an active role in the economy by giving financial support to a different array of productive activities (including tourism) which the Mexican leadership wanted to promote. Actually, the central bank directors like Rodrigo Gómez and Fernández Hurtado enjoyed considerable independence and, not surprisingly, an agency such as INFRATUR came to evolve quite autonomously from (first the Department and later on) the Secretariat of Tourism (Interview, Antonio Enríquez Savignac, 13-02-2002). As a matter of fact, Clancy has argued that part of the success of the tourist policy that the Mexican government initiated in the late 1960s, "lies in the insulation and self-sufficiency enjoyed by bureaucrats within INFRATUR and later FONATUR..." (Clancy, 2001: 145). As has been indicated, top officials of the central bank like Fernández Hurtado were the ones who, worried about the country's fragile economic situation in the second half of the 1960s, became influential advocates for the promotion of tourism. According to Romero, the director of Bank of Mexico, Rodrigo Gómez, was convinced that employment and foreign exchange could be generated by developing the planned beach resorts. Consequently, he asked Fernández Hurtado to present the project to the secretary of the Treasury, Antonio Ortiz Mena. In the end, Fernández Hurtado not only received the support of Ortiz Mena, but the secretary of the Treasury persuaded president Gustavo Díaz Ordaz (1964-1970) to give the initial backing to the tourist project presented by Bank of Mexico (Romero, 1988a: 112). Later on, these officials of the central bank and their counterparts at the Treasury secured the support of president Echeverría to build the resort city of Cancun.

One of Fernández Hurtado's closest collaborators, Antonio Enríquez Savignac, was the man who, between 1968 and 1969, had led the team of Bank of Mexico charged with the responsibility for evaluating several dozens of potential coastal sites for the creation of the five integral tourist resorts. If Mexican tourism, especially in the aftermath of world war II, cannot be properly understood without taking into account the influential role of president Miguel Alemán, it is important to talk about Antonio Enríquez Savignac because of his sway over tourist policies and institutions in Mexico, particularly between the late 1960s and 1980s. Torres has noted, for example, that his leadership influenced the administrative and political career of bureaucrats and other ruling personnel related to Mexican tourism (Torres, 1997: 227). He pursued graduate studies in North American universities (Ottawa and Harvard), and worked in different private financial institutions of New York. From 1960 to 1963 he held the post of loan officer in the Inter-American Development Bank, and when returning from the United States he joined Bank of Mexico (Torruco, 1988: 205; Torres, 1997: 227). Between 1965 and 1969 he was advisor of the director of Bank of Mexico (Presidencia de la República, 1984: 131). In spite of holding high positions in the government oil company *Petróleos Mexicanos* (PEMEX) and in the Treasury, Enríquez Savignac spent most of his administrative career in the tourist sector. He was the director general of both INFRATUR and FONATUR from 1969 to 1976, Undersecretary of Tourism and Planning (1976-1977), and Secretary of Tourism during the six-year presidency of Miguel De la Madrid (1982-1988) (Camp, 1995: 217). Though Enríquez Savignac joined the PRI in 1969, he, like many other technocrats in the Mexican government, never held any elective office. In fact, his life's work in the public sector demonstrates a notable feature of the Mexican polity. It shows that members of the technical intelligentsia, technocrats, move upward through the administrative or executive

institutional tracks, without ever holding any formal position in a political party (notably the PRI). As Smith has noted, “an association with the party (PRI) can be more of a symbolic act than an active commitment” (Smith, 1979: 251). A brief examination of the profile of some of the high officials of Bank of Mexico like Enríquez Savignac, indicates that the bureaucracy acts not only as the administrative arm of the empowered executive, but performs an influential function “in setting up, determining, and implementing political goals as well as in establishing major policy directives” (Eisenstadt, 1967: 112). In other words, the active role which high bureaucrats of the Bank of Mexico came to play in the promotion of Mexican tourism, reveals that their concentration of technical and entrepreneurial skills led them to acquire a degree of autonomy which proved to be decisive when advancing the most ambitious and coherent tourism policy conceived by the Mexican state.

V. National Security and Tourism

As was pointed out in the first sections of this chapter, by the late 1960s the Mexican economy was showing some signs of the structural contradictions of a model of development which privileged industrial expansion over agriculture growth. The principal economic problems the country was facing were manifested in the form of a limited capacity to provide jobs to a growing work force and a balance of payments deficit as industrial production expanded and, in consequence, imports of capital goods increased. As was illustrated, the government’s decision to embark on the construction of integral tourist beach resorts was a development response to the pressing need for unemployment and foreign exchange. However, national security issues also induce governing elites to build large scale planned tourist centers in the late 1960s. During

that time Mexican ruling elites were afraid of the political instability permeating parts of the countryside.

Political discontent among the peasants was the result of an impoverished rural economy. Dissatisfaction in rural Mexico, especially among *ejidatarios*, was the outcome of policies in favour of commercial agriculture and industry. When Cárdenas left office in 1940 support for the *ejidos* ceased and everything was done to favour large private properties. It has been estimated that in 1960, for example, 0.5 percent of landowners owned 30 percent of all land, 40 percent of irrigated land, and 44 percent of machinery, whereas at the other extreme 84 percent of holdings encompassed 24 percent of all land, 2.7 percent of irrigated land, and 8 percent of machinery (Montes de Oca, 1977: 56). As a consequence of such prevailing conditions in the countryside, between the 1960s and early 1970s peasants invaded land in various states of the country. In 1961, for instance, the peasant leader Rubén Jaramillo invaded land rented to a rich cattle rancher in Michapa and Guarín, in the state of Morelos. In the same year Jacinto López invaded land in Cananea, Sonora (1977: 54). Ruben Jaramillo resorted to armed action and was killed in 1962, but he was not the only one who engaged in direct confrontation with the establishment. Others like the schoolteachers from peasant backgrounds, Jénaro Vázquez and Lucio Cabañas, embarked on a guerrilla fighting in the southern state of Guerrero. These guerrilla fighters had little success, and their efforts were repeatedly repulsed by the armed forces which killed them in 1972 and 1974 respectively. Small scale guerrilla activity also occurred in the neighbouring state of Oaxaca (Cockcroft, 1983: 243). In short, dispossessed peasants and the consequent political instability in the countryside would also be an important factor which led

ruling elites to seek a development alternative aimed to improve the conditions of an impoverished peasant population.

Despite the fact that traditional location factors such as climate, beaches and landscape were decisive aspects persuading governing elites to construct the integral tourist centers on the coasts of the states of Quintana Roo, Oaxaca, Guerrero and Baja California Sur, they also paid special attention to significant social and economic aspects such as “rural poverty, employment needs, and potential for regional economic impact” (Collins, 1979: 354). FONATUR asserted, for instance, that the large scale planned resort of Huatulco, “(will) elevate employment and the standard of living (in the regions of Oaxaca) which until recently (have) been separated from the progress and social changes of Mexico” (Quoted in Madsen Camacho, 1996: 33). The integral tourist center of Huatulco, which began to be constructed in the early 1980s when Enríquez Savignac was Secretary of Tourism during the administration of president Miguel De la Madrid, was located in one of the less developed states of the country, Oaxaca. By 1980 the state ranked last in the nation in per capita income and in communications and transportations facilities, and next to last in education and public health services (Fonatur, 1988: 145). Though the development of the planned beach resort of Ixtapa aimed to avert some of the adverse consequences brought by tourist expansion in the port of Acapulco, it should not be forgotten that it was in the state of Guerrero that the most articulate although small guerrilla movement took place between the 1960s and early 1970s. Francisco Zapata, in his analysis of the steel industry in Mexico, argues that national security issues also pushed national leaders to build a steel mill (Siderúrgica Las Truchas) in the Pacific coast of the state of Michoacán (Zapata, 1990: 317).

In the case of the resort of Cancun, situated in the Caribbean state of Quintana Roo, it was not only the depressing economic and social conditions which made tourism expansion an advisable developmental tool in the eyes of the Mexican leadership. It was also the threat of revolutionary “contamination” that Castro’s regime came to represent that should be considered as an important political factor affecting the government’s resolution to construct a large scale planned resort in that part of the country. It should not be left aside that Cuba’s policy of exporting revolution by giving support to other guerilla movements was abandoned around 1968 (Payne, 1984: 72). Ironically, in 1956, after a difficult voyage from Mexican waters (the Yucatan Peninsula), Castro had landed in eastern Cuba (Langley, 1989: 199). Interestingly, a few years before the Cancun project was initiated, president López Mateos (1958-1964) became concerned with the issue of national security. In Calvert’s words, “it was coincidental, though not wholly accidental, that the redistribution of land, in which López Mateos was to surpass all his predecessors except Cárdenas, involved the settlement and opening-up of other near-frontier lands, particularly in the territory of Quintana Roo... In an age of guerrilla warfare, it was inadvisable to leave any remote area too long unattended” (Calvert, 1973: 300). In 1960, when delivering his annual speech to congress, president López Mateos declared that 15,000 people had settled in the territory of Quintana Roo. In 1962, he stated that the population of the territory had doubled in three years time (Cámara de Diputados, 1966a: 714, 778). In his diary, ex-president Cárdenas recorded a meeting he held with the then Cuban ambassador in 1961. The ambassador told him that it was believed Guatemalan president Ydígoras was plotting against Cuba. There were rumours armed people were operating in the Yucatán countryside (near Quintana Roo). After that talk, ex-president Cárdenas wrote that in his next meeting with president

López Mateos he would tell him that Mexico can not be a place where machinations against the internal affairs of other countries (Cuba) can be devised. Cárdenas also wrote that he would recommended the Ministry of Defence to be aware of the current situation in that part of the country (Cárdenas, 1973: 242-243). In fact, Cuban exiles were not in Mexican territory but, on the contrary, they were training at camps in Guatemala. (Langley, 1989: 206).

The fear that the attempt to export the Cuban revolution could find fertile ground in a desolated and impoverished region of the country, should not be left aside in the political equation which the Mexican ruling class calculated when embarking on the Cancun project. Whereas Cancun was a solitary barrier island inhabited only by a handful of fishermen, subsistence farmers, and small-scale coconut producers (Torres, 2003: 548), the heartland of the then territory of Quintana Roo was populated by peasants (mostly Mayans) who were engaged in the exploitation of hard tropical woods and chicle trees. Highly dependent on the production of sisal or henequen, a fiber from the agave plant, the economy of the region benefited from increasing U.S. demands for food and raw materials during World War II and the Korean War. But the conclusion of the armed conflict in east Asia severely affected the henequen economy, and left many peasants without jobs. The economic situation of the agricultural sector in that region was precarious if it is taken into account that “corn was the main crop cultivated, but with the lowest yield per hectare in the country” (Fonatur, 1988: 22). Pedro Joaquin Coldwell, who was a top official of the tourist sector (Director of FONATUR and secretary of tourism, MP for Quintana Roo and the first governor to be elected in that state) commented that, “it is not fortuitous that the Mexican state embarked on the promotion of tourism in those regions (including the state of Guerrero)... the politicians

should be worried with the threat posed by the Cuban revolution...170 miles separate the Yucatan peninsula from the island...860 kilometers of sparsely inhabited Mexican coast...and in the interior peasants without jobs..." (Interview, Pedro Joaquin Coldwell, 05-03-2002). There is no evidence which indicates Mexican officials embarked on the Cancun project to specifically counterbalance the threat posed by revolutionary Cuba. However, the remarks made by Joaquin Coldwell, the recounts of Lázaro Cárdenas and the actions taken during the administration of López Mateos in order to populate that isolated region of the country should be given some weight in the issue of national security and tourism development in Quintana Roo.

The issue of national security was a decisive factor which lay behind the Mexican leadership commitment to initiate the development of two large scale planned tourist resorts (Los Cabos, and Loreto) in the northern state of Baja California Sur in the 1970s. Assembly plants (*maquiladoras*) situated in border cities such as Tijuana in the state of Baja California Norte had attracted large number of migrants since the mid 1960s when the Mexican government initiated the promotion of this economic model of export growth. Between the 1970s and 1980s the annual average rate of demographic growth in the Mexican northern border cities was 4 percent, whereas the national average was 2.6 percent (Sancho y Cervera, 1994: 112). Moreover, it was estimated that 82 percent of the population of the state of Baja California Norte came to be concentrated in the border urban areas of Tijuana, Tecate, Rosarito, and Ensenada (Hermosillo, 1994: 80). This geographical concentration of economic activities and population in the northern region of the Peninsula de Baja California meant that much of the rest of the *Baja* (the peninsula is divided in two political and administrative entities: north and south) was thinly populated, in particular the southern part. San Jose del Cabo, where one of the

two tourist integral centers would be erected, had a population of 6 thousand who for the most part were engaged in small-scale farming (Fonatur, 1988: 97). The territory of the south is mostly desert and for a long time remained disconnected not only from the northern region but from the rest of the country. In fact, government authorities in the early 1970s were alarmed because of “the extreme conditions of isolation existing on the peninsula” (Ibid: 86). As a high ranking official put it, “...with thousands of miles of coast without large population settlements... not faraway from the American border... Baja California had always been a very tempting region for our neighbours of the north (the United States)... in the 1970s it was thought that some economic activities were required in order to populate Baja California...(Interview, Antonio Enríquez Savignac, 13-02-2002). For this reason, the administration of president Luis Echeverría (1970-1976) constructed in a three years record time the 695 kilometer transpeninsular highway which runs from Tijuana to Cabo San Lucas (Fonatur, 1988: 86). Additionally, the go-ahead for the construction of the planned resort of Los Cabos came in 1974 when FONATUR made an assessment by using the preliminary studies carried out by Bank of Mexico in the late 1960s. As in the case of the other large scale planned tourist resorts, the Mexican government built the infrastructure that Los Cabos required to attract tourists, especially from the United States. In 1977, a year after president Echeverría left office, there commenced the construction of a sewage treatment plant, an electric power station, telephone lines, and water works for storing water. In that same year an international airport was inaugurated (Ibid: 101).

In summary, by the late 1960s Mexican officials, particularly those at Bank of Mexico, conceived the construction of large scale planned beach resorts in peripheral locations “as part of a regional growth-pole policy” (Clancy, 2001:). In doing so, they attempted

to divert migrant flows away from crowded urban areas such as Mexico City, and improve the living conditions of the local population through the generation of jobs brought by the construction of the tourist industry. By 1981, the secretary of tourism Rosa Luz Alegría pointed out that, “in the last years the tourism activity has been developed by following an integral planning approach and, in consequence, a more orchestrated regional development process has been attained” (Secretaría de Turismo, 1981: 39). Whereas the developmental impact of the construction of the five large scale planned resorts has been critically assessed (Torres, 2003; Aguilar, et al., 1997; Long, 1991), some anthropological studies have analysed the impact of tourism on the Mayan communities (Daltabuit & Pi-Sunyer, 1990; Dufresne & Locher, 1995; Re Cruz, 1996), and scholars like Torres (1997) and Clancy (1996, 2001) have looked at the guiding role played by the federal government in the promotion of the tourist integral resorts, no attention has been paid to the issue of national security. There is no doubt that Marxist revolutionary expansion, guerrilla warfare, and empty lands near the U.S. border can not be regarded as the main political factors leading Mexican state elites to promote planned tourism. But without taking into account the matter of national security, one political element of a crucial phase of the development of Mexican tourism is being ignored.

Local Entrepreneurs, Politics and Tourism

If Mexican tourism development in the late 1960s and 1970s was characterized by the federal government’s promotion of five planned resorts, that does not mean that other actors were not participating in the creation of tourism in other locations of the country. Thus, by looking at the way other players like local entrepreneurs and *políticos* were intervening in this process, a broader picture of the politics of tourism can be depicted.

In fact, well known beach resorts such as Zihuatanejo, which is adjacent to FONATUR's Ixtapa, owes much of its early growth to the entrepreneurial endeavour of its inhabitants, and businessmen from the United States and Mexico City. When returning tourists to Acapulco began to visit the nearby coastal fishing village of Zihuatanejo, local families started guesthouses, and small hotels and inns were built on the *ejido* lands to accommodate the travellers. This modest entrepreneurial effort initiated by local residents was later expanded when a group of five investors from Mexico City and the United States acquired a piece of land in La Ropa beach and built the Hotel Catalina in 1953 (Cowan, 1987: 87).

By the late 1950s the Pacific beach resort of Puerto Vallarta was being visited by some intrepid American tourists and Mexican vacationers. But the filming in the early 1960s of a Hollywood movie, "Night of the Iguana", led to a radical change and increase in tourism in Puerto Vallarta. After that event and given that the two stars of the film, Elizabeth Taylor and Richard Burton, became semi-residents of the resort, this port blossomed (Cothran & Cothran, 1998: 479; Evans, 1981: 60). Benefiting from the publicity brought by the movie and its stars who continued to return regularly for more than a decade, American semi-residents and local and in-coming urban Mexican businessmen initiated major changes which made of Puerto Vallarta a fashionable resort in the sixties. Such evidence of entrepreneurial spirit was disclosed in the controversies which arose when the Mexican government attempted to protect national carriers from U.S. competition between 1963 and 1965. Domestic tourist interests reacted to a government's policy which placed limitations on American carriers with respect to aircraft capacity and frequency of service. In Schmitt's words, "in 1964 an unofficial gentleman's agreement to freeze capacity, frequency, and route designations led to

pressure on the Mexican government from hotel operators, municipal authorities, and other tourist interests to establish new flights to Puerto Vallarta and other west coast resorts” (Schmitt, 1974: 211). Thus, it is not a coincidence that Vallartans regard tourism development in Puerto Vallarta as “a result of natural or organic growth which was promoted locally” (Evans, 1981: 2).

In spite of important location factors such as a fascinating landscape, and the entrepreneurial effort of both domestic and American businessmen who benefited from the publicity brought by a Hollywood film and famous movie stars, the expansion of tourism in Puerto Vallarta was crucially assisted by the action of a social network of politicians and bureaucrats. Close contact, that is friendship, between local political figures and top officials of the federal government was essential for the positioning of Puerto Vallarta as a world class pleasure resort. Friendship, which is a powerful cultural aspect of the country, has had a crucial role in political recruitment in Mexico, where political leaders give power to close friends (Camp, 1984: 38). For Mexican politicians, Smith argues, “friendships... have... functioned mainly as resources for the future...” (Smith, 1979: 86). Olveda has pointed out that it was during the administration of governor of the state of Jalisco, Francisco Medina Ascencio (1965-1970), that Puerto Vallarta was provided with the required infrastructure such as roads, airport, and a harbor (Olveda, 1993: 20-21). He received the support of important political figures in his attempt to upgrade the tourist facilities of the beach resort. Among those influential personages were two friends who were leading members of the national political class of the time: president Gustavo Díaz Ordaz and ex-president Adolfo López Mateos (Medina, 1993: 93). According to Camp, President Díaz Ordaz was a close friend of Governor Medina Ascencio (Camp, 1995: 456). Furthermore, the then secretary of the

Treasury, Antonio Ortiz Mena, came to be a key facilitator of the modernization of Puerto Vallarta. It was during a visit that Ortiz Mena and banker Agustin Legorreta paid to the resort, that governor Medina Ascencio secured the financial support of the secretary of Treasury for the construction of the infrastructure which tourism development in Puerto Vallarta required. The banker Legorreta was so impressed with the beauty of the port that he decided to build the Hotel Camino Real. Governor Medina expropriated *ejido* land where the Hotel Camino Real was to be built, and convinced landowners to sell land for the construction of the harbour. Governor Medina Ascencio also facilitated the 1970 meeting of President Díaz Ordaz and U.S. president Richard Nixon in the Hotel El Delfin of Puerto Vallarta. President Nixon and his delegation stayed in the Hotel Camino Real (Medina, 1993: 93-97).

Though the expansion of tourism in the Caribbean was the result of state action through the construction of the planned resort city of Cancun, the Yucatán peninsula had already been visited by international travellers since the 1940s. By 1969, when the construction of infrastructure was going to start in Cancun, around 60 thousand foreign tourists were visiting the region, in particular the Mayan archaeological ruins of Uxmal and Chichén Itza (Fonatur, 1988: 20). In spite of the incipient nature of tourism in the region, local entrepreneurs like Fernando Barbachano in Yucatán, Nassim Joaquin of Arab origin in Cozumel, and José de Jesús Lima in Isla Mujeres were the pioneers of the tourist industry in the Mexican Caribbean. The latter, for example, already owned the rustic hotel Zazil-Ha in 1955. Later, in 1964, José de Jesús Lima constructed an 80-room hotel which was inaugurated by his friend, the then president Adolfo López Mateos (Torres, 1997: 242). As has been indicated in the previous chapter, the military infrastructure which the American government built, with authorization of the Mexican government,

in locations such as Cozumel during World War II, was to be a decisive factor influencing the future expansion of tourism in the region. According to Dacharay and Arnaiz, the American William Chamberlain, the first man who promoted Cozumel in an international scale, was bringing U.S. and European tourists to the island as early as 1952 (Dacharay & Arnaiz, 1985: 9). The son of local entrepreneur Nassim Joaquin told me the circumstances leading to the emergence of the tourist industry in Cozumel:

“...there was an air-route connecting the U.S. east coast with Central America...airplanes on route to Central America were carrying American consumer goods and when returning to the U.S. they brought with them bananas produced by the American Fruit Company. Given that during that time there were not jet planes, the carriers had to stop in an intermediate point which was the Cozumel airport...but no passengers got off the planes...

One day an America tourist got off the airplane and asked my father (whose business was to sell the fuel which the carriers used) where he could find a hotel...(given that there were no hotels) my father accommodated him in his house...my father showed him the beaches of the island...it turned out that this man was a reporter for a magazine which specialized in tourism and when he went back to the U.S., he published an article about the island in which my father was mentioned...the next carriers brought more tourists who asked for my father...then he rented from the government of the federal territory of Quintana Roo a building which he transformed into a seven room hotel (one of the first in the island). Later on he built a hotel (now called Hotel Playa Azul) in the San Juan beach...He would be the founder of Aerocozumel...and at some point bought Aerocaribe. My father would be consulted by Fonatur officials who were planning the development of Cancun... (Interview, Pedro Joaquin Coldwell, 05-03-2002).

The entrepreneurial endeavour of local business men like Nassim Joaquin in Cozumel, and José de Jesús Lima in Isla Mujeres, demonstrates that tourism in the Mexican Caribbean did not begin with the development of Cancun. But this entrepreneurial class did not have the strength to carry out such a monumental enterprise. Local entrepreneurs became, in consequence, advocates of the unfolding of the large scale planned beach resort of Cancun. For instance, Nassim Joaquin welcomed the then officer of Bank of Mexico Antonio Enríquez Savignac who, in the late 1960s, was visiting Quintana Roo

“to decide which place would be the best location for the building of a tourist integral center” (Torres, 1997: 248). Though business men did not play a decisive role in the making of the large scale integral beach resorts, local politicians and power structures came to be important agents influencing the pace of the creation of the five tourist integral centers. For example, whereas the construction of the large scale beach resort of Bahías de Huatulco was delayed due to the opposition of the then governor of the state of Oaxaca (Interview, Sigfrido Paz Paredes, 08-03-2002), the appointed governor of the then territory of Quintana Roo, Javier Rojo Gómez, gave all his support to the plan of the federal government for constructing the beach resort of Cancun in the late 1960s. It should not be forgotten that Quintana Roo became a state of the federal union in 1974, before that year political authorities were appointed by the federal government instead of being elected by the citizens of Quintana Roo. Actually, it was in 1975 that the first governor of the state and seven local MPs were elected (Castro, 1986: 10).

It can be argued that the existence of a native political class in a state such as Oaxaca did not facilitate, in the initial phase, a large tourism project conceived by federal agencies. However, the relative absence of the local power elite in the then territory of Quintana Roo came to mean that the federal government did not encounter any opposition to its plans, thus easing the pace of the construction of the resort city of Cancun. It was not a coincidence that in a sparsely populated area belonging to a entity with a very weak political class, the first mayor of Cancun had been an official of FONATUR. Actually, on a visit that president Echeverría paid to Cancun, and after realizing that there was no mayor, he asked (FONATUR officials) if they had someone in mind. They thought that Alfonso Alarcón, who was the agency’s director of Social Development, would be the right person. Then, president Echeverría appointed him

(Interviews, Sigfrido Paz Paredes, 13-02-2002, and Antonio Enríquez Savignac, 08-03-2002). In short, a federal agency such as FONATUR was operating in such local political vacuum (in the then territory of Quintana Roo) that one of the managers of the agency, would be the first mayor of the resort city of Cancun. All subsequent mayors, however, would be part of the emerging political class of the new state of Quintana Roo. In essence, in the early stage of the development of the Cancun project, FONATUR came to play more than a planning or entrepreneurial role; it also acquired a governing function which later would be taken over by the formation of a local ruling elite.

Conclusion

Though those who commanded the state apparatus between the mid 1950s and mid 1960s were not unaware of the material gains derived from tourism, government assistance to this economic activity lacked strength and coherent direction. Nonetheless, it was during the presidential terms of Adolfo Ruíz Cortines (1952-1958) and Adolfo López Mateos (1958-1964) that a more enduring institutional edifice for the promotion of tourism was created. If the formation of the trust fund FOGATUR (1956) and the Department of Tourism (1959) did not directly translate into large financial support of tourism, the establishment of these agencies, in particular FOGATUR, came to be the initial stage of a future aggressive government endeavour assisting the expansion of this economic activity. Administrative strength occurred when INFRATUR was created in 1969, and both FONATUR and the secretariat of Tourism were founded in 1974.

Marked by an international atmosphere characterized by the confrontation between east and west (the Cold War), Mexican tourism's heavy dependence on the American traveller would pose a dilemma to the country's traditional non-interventionist foreign policy stance. Events such as the triumph of the Cuban revolution, which diverted the tourist flow toward Mexico, became a predicament to the country's foreign policy, and made clear the ideological and power cleavages within the PRI ruling elite. Such a political context would lead president López Mateos to create an array of government agencies as a way of maintaining together the diverse interests of the PRI ruling coalition. Though the creation of these agencies sought to regulate the behavior of politically powerful men like Lázaro Cárdenas and Miguel Alemán, Mexican tourism would receive a boost with the appointment of the latter as head of the National Tourism Council in 1961. However, the consequences of a path of development which had been neglecting agriculture but favouring industrialization through import substitution, would lead Mexican officials, particularly those at Bank of Mexico, to support tourism expansion as a clear developmental avenue. In fact, it can be argued that high unemployment rates, together with an acute trade balance deficit and a heavy concentration of economic activities and population in certain areas of the country, were the main driving forces behind the government backing of tourism. Nonetheless, national security factors such as the proximity of socialist Cuba, and guerilla activity in the Mexican countryside, would also induce state elites to embark on the promotion of an aggressive tourism policy based on the construction of large scale planned resorts in the late 1960s.

The development of five integral tourist centers in the Pacific and Caribbean coast came to mark a turning point in the Mexican state's tourism policy. The construction of large

scale planned beach resorts as the main strategy to participate in an expanding tourist industry which international institutions such as the United Nations portrayed as a developmental avenue for Third World countries, led Mexican officials to give the state the active role of planner, banker and entrepreneur. By securing loans from international institutions, the Mexican government embarked on an impressive venture which meant the construction of complete new cities in selected sites of the country's coasts.

Tourism expansion in the late 1960s, particularly by means of erecting large planned beach resorts, was state oriented because of the weakness of the Mexican entrepreneurial class to undertake such a monumental task. The state and its staff came to play a leading role in the construction of tourism, despite the fact that in places such as Zihuatanejo, Puerto Vallarta, Cozumel and Isla Mujeres, local entrepreneurs were the pioneers in the making of this economic activity. Anyway, given that business men had neither the strength to carry out such an ambitious venture, nor could they see other aims apart from profit, it was not a coincidence that state personnel came to be the actor with the insight to use tourism as a means by which broader development aims could be achieved. Furthermore, given the influential position that bureaucrats at the Bank of Mexico, INFRATUR and FONATUR came to occupy within the state apparatus, tourism development in Mexico progressed without encountering strong opposition. In the end, the interests and leverage of technocrats, national and local politicians, and entrepreneurs, came to constitute the politics of tourism development in the period from the mid 1950s to the late 1960s.

In the next chapter I look at the various economic, social and political forces shaping the development of Mexican tourism between 1970 and the arrival (in 2000) to the executive post of the state of Vicente Fox, the first non-PRI president of the country in

70 years. This period has been characterized by major economic and political events which brought about important transformations in the Mexican economy and in state-society relations. After all, economic and political factors such as the increasing expansion of the state in the productive structure of the country, the debt crisis of the early 1980s and the consequent retreat of government activism, the increasing plurality of the Mexican society, and the gradual exhaustion of a semi-authoritarian regime, would mould the development of Mexican tourism. Thus, as in any other economic activity, a political analysis is required if the assorted nature of tourism expansion in Mexico is to be disclosed. In other words, a political analysis of tourism enables us to decode the complex mixture of forces shaping the development of this economic activity in present day Mexico.

Chapter VIII

Mexican Tourism in a Transition Period

Introduction

In this chapter I decipher the politics of Mexican tourism during a period when one policy orientation which sought to achieve high rates of economic growth by giving the state an active entrepreneurial role, was replaced by a path of development in which market forces and private capital came to play a guiding function. Between 1970 and 1982 tourism development would be assisted by the lending activities of government agencies such as INFRATUR, FONATUR, and the formation of a body of state enterprises comprising hotels and other tourist related establishments. But rising interest rates in the world financial market and shrinking oil prices in the early 1980s, marked an end to such pattern of state activism. Since then, a market oriented strategy which revolved around privatisation of state-owned enterprises, and deregulation of foreign investment flows and domestic economic activities, came to have lasting effects on the development of tourism.

Tourism was not solely shaped by economic liberalization, but by political changes as well. Centred on the gradual construction of a credible multi party system, the semi-authoritarian Mexican regime came to be permeated by electoral competition and the emergence of an array of organizations belonging to civil society. In such a context, the politics of Mexican tourism ceased to be dominated by state actors such as technocrats and politicians, and the influence of new constituencies began to be felt. Such changes in the balance of power, however, has not prevented state elites from promoting tourism

alongside authoritarian forms of political action. Nonetheless, the competing interests of entrepreneurs, environmental organizations, workers, and local state managers have led to the formation of a tourism policy arena in which negotiation, conflict, and the forging of alliances are making public policy less predictable. In the end, both state-led and market oriented tourism development in Mexico sheds some light on the changing nature of the country's polity.

State-led Tourism Development (1970-1982)

Between 1970 and 1982 the Mexican leadership had the conviction that a stronger, more participatory state was necessary for enhancing the capacity of the productive structure of the country to create jobs, and maintain a high pace of economic growth. In fact, aided by public spending which increased by 15 percent of GDP between 1972 and 1976, (Luke, 1988: 43) and which was largely financed through heavy borrowing¹ from international creditors, Mexico had an average annual rate of economic growth of 5.5 percent from 1970 to 1977 (Middlebrook, 1995: 258). Public spending poured into housing, schooling, agriculture (which accounted for 20 percent of the federal budget) and other development programmes (Smith, 1990: 131). But increasing public intervention in the economy came to be primarily manifested through the formation of a large parastatal sector. During the administration of Luis Echeverría, for instance, "the number of state-owned enterprises jumped from a total of 175 in 1971 to 458 in 1976" (Erfani, 1995: 129). The number of decentralized organizations, and public enterprises with majority or minority state participation continued to expand in the government of

¹ During the government of President Luis Echeverría the foreign debt increased in such magnitude that the country became the largest indebted Third World nation to U.S. banks. It has been estimated, for example, that between 1970 and 1976 "the foreign debt grew in U.S. dollars from \$4.5 billion to 42 billion" (Teichman, 1988: 49).

President López Portillo. Scholars like Erfani have estimated that public enterprises totalled 780 in 1980 (Ibid: 148), whereas Weiss indicates they numbered 1155 in 1982 (Weiss, 1996: 67). This entrepreneurial role of the Mexican state not only sought to remove bottlenecks created by private capital reticence to make needed investments, but to advance productive activities such as industrialisation and tourism. Actually, it has been noted that state corporations ranged from steel mills and oil refineries to hotels and shops (Fitzgerald, 1978: 278).

It was in the administrations of Luis Echeverría and López Portillo that entrepreneurial state intervention in the tourist industry reached its peak. By 1981, for example, the Mexican state was directly involved in 31 ventures. Though between the 1970s and early 1980s government intervention sought to orchestrate and assist the development of Mexican tourism, other economic and political reasons induced ruling elites to give the state a more active role in the sector. The closing or bankruptcy of hotel chains and the consequent dismissal of tourist workers would induce ruling elites to assign the government an interventionist function as a way of maintaining an important source of service employment. In fact, some of the establishments in which the Mexican government intervened were originally owned and managed by private groups. But when default occurred, private tourist ventures passed to government control. For instance, founded by entrepreneur César Balsa in the mid 1950s, corporations such as Inmobiliaria Hotelera and Nacional Hotelera became central pieces of the public tourist sector. However, the participation of the Mexican state in the tourist industry was not restricted to the undertaking of bankrupted private assets. Its entry into tourism began to acquire a direct entrepreneurial role with the creation of an array of ventures through which the development of the industry came to be promoted. It has been recorded that

by the early 1980s, for example, hotels, restaurants, a convent transformed into an inn (the Ex-Convento de Santa Catalina in the state of Oaxaca), and even a children's water fun park in Acapulco, among other establishments, were in public hands (Presidencia de la República, 1982). Some of these ventures, however, were set up by the government itself as a way of fostering the development of places such as Cancun and Ixtapa which, in spite of being the cornerstone of a new planned tourist policy, did not attract private investment at the initial stage. Actually, the start in both beach resorts was slow (Fonatur, 1988: 12) but after basic infrastructure was constructed and the Mexican government used its hotel chain Nacional Hotelera to open the first hotels El Presidente, then private capital initiated the construction of hotels and other recreational facilities. As has been indicated in the last chapter, the government did not merely seek to attract private investment (and assist capital accumulation) in the new mega poles by introducing infrastructure, but by establishing ventures which are normally set up by the private sector. The pioneer role of the Mexican state in the making of tourism has been of such a scale that even publicly owned restaurants El Presidente were opened in the airports of Mexico City, Merida in the Yucatán peninsula, Ixtapa, and Cancun.

The entrepreneurial role that the Mexican state played in the promotion of tourism during the 1970s and first years of the decade of the 1980s, was very much the result of the limited capacity and unwillingness of the bourgeoisie to make large investments, particularly in big longterm projects such as Cancun. Such an autonomous role of the state in the fostering of tourism, however, would not seek to supplant private capital but to orient the unfolding of this economic activity within the context of capitalist production relations. Therefore, direct government control over tourist corporations such as Nacional Hotelera did not pose a threat to private capital given that, in the long

run, "state sector enterprises have been operated in the interests of the private sector..." (Hamilton, 1975: 98). But in addition to the establishment of various enterprises, the Mexican state's credit operations via FONATUR became another chief force shaping the expansion of tourism. For instance, in 1974, during the administration of president Echeverría, FONATUR's loans (1.1 billion pesos which were mainly utilized for the construction of new hotels), amounted to over 30 times the amount loaned by INFRATUR in 1972 (Truett & Truett, 1982: 14). FONATUR's credit activities did not diminish during the government of president López Portillo (1976-1982). According to Molinero, the agency loaned 56.9 million U.S. dollars in 1977, 134.1 million in 1978, and 147 million in 1979 (Molinero, 1982: 30) (See appendix 9). Hence, between 1970 and 1980 the number of hotel rooms in the country increased from 130,891 to 237,614 (Jiménez, 1993: 135). This expansion of hotel construction proves that the financial assistance provided by the Mexican government through FONATUR made private investment attractive and profitable. Torres has calculated, for example, that the public-private relation of investment in tourism in the period 1974-1994 has been one to five, that is, one public peso for each five private peso (Torres, 1997: 208).

The lending task of FONATUR, after all, was not the sole instrument by which private investment was encouraged. As maintained by Truett and Truett, the López Portillo administration developed a set of fiscal incentives for private investment in tourist activities (Truett & Truett, 1982: 15). The presidential decree of 1979 established fiscal incentives such as the reduction of income tax as a means to stimulate private investment in tourism. For instance, corporations willing to invest in tourism through the construction of hotels, were given an annual tax break of 8 percent or 6.5 percent in a 15 years period (Molinero, 1982: 33). Interestingly, with the introduction of these

fiscal inducements tourism began to receive the support that other commercial and industrial activities had enjoyed. The greatest tax breaks, however, were given to those private enterprises which oriented their investment to the construction of tourist facilities (particularly hotels) in priority zones. Though incentives were also given to private corporations which were investing in other non-priority areas, those firms which channelled resources to the expansion of tourist establishments in beach resorts came to enjoy the major tax exemptions (Ortiz De la Peña, 1981: 10-11). In essence, by giving such fiscal incentives “the government supplied a critical ingredient for the expansion of the private domestic sector” (Vernon, 1964: 4). Hence, aided by the state, the Mexican hotel industry began to transform into a major business player. In 1979, for example, some hotel chains were among the 500 largest enterprises of the country. Hoteles Camino Real ranked number 103 with 3299 employees, Posadas de Mexico (Holiday Inn de México) was at number 174 with 1743 employees, Aristos was at number 283 with 924 employees, and Inmobiliaria Hotelera El Presidente-Chapultepec ranked number 298 with 618 employees (Jiménez Martínez, 1993: 137). Nonetheless, in spite of entrepreneurial endeavour, the expansion of the domestic tourist industry has been, to a great extent, the end result of state activism. In other words, tourism development in Mexico “has taken place in the shadow of the state” (Cárdenas, 1998: 20).

In summary, between 1970 and the early 1980s ruling elites (presidents Luis Echeverría and José López Portillo) promoted the expansion of tourism by placing the state “as the ultimate development agency” (Nandy, 1992: 270). In doing so, the state mobilized resources through the lending capabilities of FONATUR and the creation of a parastatal milieu of tourist enterprises, as a way of supporting the development of tourism and the process of capital accumulation. Thus, in spite of the ascendant-autonomous role that

the Mexican state came to play in the construction of tourism, the private sector would be the main beneficiary of such activism. If, for instance, president Echeverría alienated the private sector with his anti-capitalist rhetoric and unpredictable populist stances (Story, 1980: 4), the government's actions did not seek to replace private capital. Actually, Truett and Truett have pointed out that although president Echeverría "has been widely viewed as an anti-business president, his decisions with regard to tourism development very clearly benefited private industry" (Truett & Truett, 1982: 14). By the early 1980s 15 large hotel chains were operating in Mexico. Those corporations which were owned by domestic capital included Hoteles Misión, Calinda, Camino Real, Nacional Hotelera, Krystal, Econhoteles, Viva, and Aristos. The most important foreign hotel chains which operated via management contracts with indigenous groups were Best Western, Marriot, Stelaris-Hyatt, Holiday Inn, Hilton, Sheraton, and Fiesta Americana (Jiménez Martínez, 1993: 137).

In short, the intrusion of the state into activities which are regularly under the sphere of influence of the private sector, would pave the way to a major involvement of the latter in the construction of tourism. Government activity in tourism went beyond the provision of infrastructure and extended to the establishment of some leisure ventures, whereas private investors concentrated their muscle in establishing and improving tourist recreational facilities. In Schneider's words, "while the state provided much of total investment, the private sector often reaped the harvest" (Schneider, 1999: 282).

Neoliberalism and Tourism Development

The debt crisis of the 1980s and the changes introduced in the Mexican economy by the administrations of Miguel De la Madrid (1982-1988) and Carlos Salinas de Gortari (1988-1994) such as deregulation, openness of the financial markets, and trade liberalization (entry into the General Agreement on Tariffs and Trade –GATT- in 1986, and the signing of the North American Free Trade Agreement –NAFTA- in 1994) had major effects on the tourist policy of the Mexican government. By 1982, when Miguel De la Madrid became president, Mexico was the fourth-largest oil producer in the world. But the decline of prices of crude oil and the increase of interests rates on loans in the international market, plunged the country into its most severe economic crisis. With an inflation rate of 100 percent and a foreign debt of almost US \$84 billion, the De la Madrid administration signed an agreement with the International Monetary Fund in November 1982 by means of which an austerity program would be introduced in return for a loan of US \$4 billion (Teichman, 1988: 111). The Mexican government sought to promote the growth of non-oil exports and sold public enterprises as a way of enhancing the external sector of the economy, boosting public finances, and honouring the country's international payments obligations. Actually, the public sector's deficit in relation to gross domestic product fell from 18.5 percent in 1982 to 8.7 percent in 1983 (Levy & Székely, 1987: 163). Consequently, overall investments contracted by more than 20 percent and, following a fall of oil prices in 1985, the federal budget was cut on three occasions; in that same year, for instance, 22,000 bureaucrats were laid off (Ibid: 164). The social effects of the contraction of central government expenditures such as the gradual elimination of general subsidies on beans, cooking oil, bread and eggs, were immediately felt by the poorest sector of the population. It has been estimated that in

1980, when the country had 66 million inhabitants (Garrocho, 1995: 77), 17 percent of the total population was below the poverty line, whereas in 1989 the figure was 23 percent (Weiss, 1996: 76). In Weiss' words, "the 1980s were a decade of growing poverty and widening income disparities" (Ibid). Thus, in a context characterized by staggering social disparities, the administration of president De la Madrid was faced with the formidable task of allocating whatever resources were left to resume economic growth and restructure the country's inefficient productive structure. In such circumstances it seemed obvious that the Mexican state could not maintain the extent and pace of involvement in the promotion of tourism which it had been pursuing since the late 1960s.

With the liberalization of the country's economic affairs and the restructuring of the nation's productive structure, the business sector came to play a major role in the functioning of a growth model based on free trade and international competitiveness. In fact, the administrations of president De la Madrid and president Salinas de Gortari gave private capital a salient task in the development of tourism. Nonetheless, with the development of the large scale planned beach resort of Bahías de Huatulco in the state of Oaxaca during the 1980s, the Mexican state engaged in the last interventionist effort to promote tourism expansion. It was in the second year (1983) of the De la Madrid administration that, in spite of being marked by a severe financial crisis, the decision was made to begin the construction of the integral tourist center of Huatulco. Eventhough much of the physical expansion of the new beach resort was financed with public monies, the Mexican government secured US \$286 million in loans from the Inter American Development Bank (IDB) for tourism development between 1983 and 1986 (Jiménez Martínez, 1993: 376). Hence, as in the previous experiences of Cancun

or Ixtapa, FONATUR played again the pioneer role by making private investment attractive via the construction of several hotels (4 in total) in Bahías de Huatulco. The FONATUR's modest-type 75 rooms hotel Posada Binniguenda, for example, was the first lodging establishment that went into operation. But in other establishments such as a 554 rooms hotel located on the hills of Tangolunda Bay, an investment group was formed between public and private corporations. This group consisted of 51 percent Mexican capital, with FONATUR and the bank Bancomer making up the domestic part, and American Express and Club Méditerranée, the foreign part (Fonatur, 1988: 168-170).

Mexican authorities used diverse instruments in order to attract domestic and foreign investment in tourism. For example, as part of the round of negotiations to reschedule foreign debt that the Mexican government held with the International Monetary Fund (IMF) in 1985, the so-called SWAPS² were created. The SWAPS were financial mechanisms that the administrations of Miguel De la Madrid and Carlos Salinas de Gortari used as a way of allowing private investors to buy portions of public debt and transform them into investments in specific activities such as tourism. For instance, in early 1986 the ownership of the Hotel Tangolunda in Bahías de Huatulco was transferred to a consortium formed by the (Mexican) ICA Group and American Express, by means of the mechanism of converting public debt into investment (SWAPS) (Fonatur, 1988: 170). But not only the beach resort of Bahías de Huatulco was the recipient of private investment via SWAPS, the large scale planned resort of Cancun was one of the favourite places to convert public debt into tourism investment. In the end, it has been estimated that by 1990 the total amount of SWAPS for the tourist

² A SWAP is an agreement whereby two parties (called counterparties) agree to exchange periodic payments (Fabozzi & Modigliani, 1996: 282).

industry was US \$5 billion (Torres, 1997: 209). This flow of resources which were channelled into the tourist industry represented 38.8 percent of the total sum of investment via SWAPS that the Mexican economy received between 1986 and 1990 (Jiménez Martínez, 1993: 251).

I. The Withdrawal of the State

The pursuit of a model of economic growth through the abandonment of a concept of an interventionist, strong state, led to the dismantling of a government cluster of tourist enterprises. Though this change of policy was mainly manifested in the privatisation of public assets, part of the new liberalizing strategy also involved the transference of central government's holdings to state (or local) authorities for their management. Hence, by the end of the 1980s the governments of the states of San Luis Potosi, Baja California Norte, Guerrero, Quintana Roo, and Oaxaca were administering tourism ventures formerly managed by the federal administration. The central government, for example, ceased to run the water fun park Centro Internacional de Convivencia Infantil -CICI- of Acapulco which was set up due to the leverage exerted by Mrs Carmen Romano de López Portillo at a time (1976-1982) when her husband was president of Mexico. In 1983 the federal government transferred the management of the CICI to the state authorities of Guerrero (1993: 241).

The public sector ceased to play a leading role in the promotion of economic growth (including tourism) by encouraging both decentralization and privatisation. The administrations of president Miguel De la Madrid and president Carlos Salinas de Gortari, for instance, put an end to high-profile state economic activism by selling

government enterprises to domestic and foreign business groups. According to Weiss between 1983 and 1988 non-priority and medium companies were either liquidated or sold (Weiss, 1996: 67). Additionally, the government of president De la Madrid sought to reduce part of the nation's debt by offering minority participation opportunities in over 40 key state companies. The list included "the government's steel enterprises Lazaro Cárdenas-Las Truchas, Altos Hornos de México, Fundidora Monterrey; the hotel chain Nacional Hotelera and a variety of mining, metal and chemical companies" (Gentleman, 1987: 50). During the administration of Salinas de Gortari (1988-1994), more strategic public enterprises were sold. Among them were telecommunications company Teléfonos de México (Telmex), the two airlines (Mexicana, and Aeroméxico), hotel chains, the large steel, fertiliser and sugar companies, and the commercial banks nationalized in 1982 (Weiss, 1996: 67; Levy, et al., 2001: 167). By 1993, "little more than 200 public enterprises remained as compared with 1155 in 1982" (Weiss, 1996: 67).

As a result of the privatisation strategy implemented by the new ruling elite in Mexico, the government initiated a process of disinvestments through which a large number of its tourist holdings were sold. According to Jiménez, by 1985 some of the main assets which the Mexican government had sold were, in addition to the hotel chain Nacional Hotelera, 14 hotels El Presidente; 38.8 percent of its shares of the Hotel Aristos Cancun fund; and 74.5 percent of its shares of the Hotel Aristos Ixtapa fund. Between 1986 and 1990, the list of public properties sold included: the hotels Aquamarina and Riviera del Sol in Ixtapa; Parador de Casas Rodantes el Tripuí in Loreto; the Hotel El Mirador in Manzanillo (Colima); and hotels operated by Casteles corporation in Ixtapa, Puerto Escondido (Oaxaca), and San José del Cabo. Other government establishments sold

were the hotels Playa Linda in Ixtapa; Zazil-Ha in Isla Mujeres; El Mirador in Acapulco; Nuevo Sol in Baja California Sur; and 22 business premises in the Mall El Parian in Cancun (Jiménez Martínez, 1993: 243). The list does not finish there, but such an account clearly indicates the abandonment of the interventionist function that the Mexican state came to play in the development of tourism.

The retreat of the state in the promotion of tourism paved the way for an increasing participation of private capital in the making of this economic activity. As a matter of fact, the privatisation process affecting Mexican tourism has benefited important business groups. Large Mexican conglomerates have moved into the hospitality sector, first as real estate investors but increasingly also as operators and franchisers. By participating in the tourist sector, some large private domestic groups have diversified their business operations in a globalized context marked by intense competition between firms. By the early 1990s large Mexican steel, cement, telecommunications, and construction conglomerates entered the tourist industry through forming strategic alliances with major international hotel chains. Among those domestic firms which began to participate in the hotel sector were grupos ICA, Cemex, Carso, Gutsa, and Sidek (Clancy, 1999: 14).

In summary, the increasing participation of private capital in the expansion of the Mexican tourist industry has been the end result of a new policy orientation implemented by neoliberal elites commanding the state apparatus since the early 1980s. With the arrival of president Miguel De la Madrid (1982-1988) and president Carlos Salinas de Gortari (1988-1994) to the executive branch of the state, it began a speedy transition to market-oriented (or neoliberal) policies. The core of these policies, which

would continue to be implemented during the government of Ernesto Zedillo (1994-2000), “emphasized state withdrawal from the economic sphere, an expanded role for foreign investment, and free trade” (Levy, et al., 2001: 166). For the present administration of president Vicente Fox (2000-2006) the function of the state in the tourism realm has moved from an activist character to a mere coordinating task (Secretaria de Turismo, 2001: 69) (See appendix 9). This change of conception of the economic role of the state was epitomized in the new functions assigned to FONATUR, the main tourist development agency of the Mexican government. According to Jimenez-Martinez, since 1990 FONATUR ceased to be the main banker and builder of future tourist centers (Jiménez Martínez, 1993: 248). Indeed, by the early 1990s FONATUR’s mission was to market and sell the underlying real estate to national and foreign investors and developers, and guarantee or carry out the development of the necessary infrastructure and superstructure (Fonatur-Sectur, n/d: 20). The current general director of FONATUR, John McCarthy, clearly embodies this change in government policy orientation. He, a tourist entrepreneur and former president of the National Tourism Business Council (CNET), states: “I reckon that FONATUR must earn money... because if you earn money, then you can do things which otherwise you can not do... (for example) to build infrastructure...” (Interview, John McCarthy, 25-02-2002). Though the Mexican state has not relinquished her planning function (it can take the role of promoter, provider of infrastructure and financier), the responsibility for developing entire mega-projects sites has been ceded to investment groups (Clancy, 1996: 289). By 1991, the construction of various selected private sector developments in Cancun, Ixtapa, Los Cabos and Loreto had begun. For example, the mega-project Marina Ixtapa was being developed in conjunction with the Mexican firm group Sidek (Fonatur-Sectur, n/d: 11-17). Nonetheless, and in spite of the ascending drive of private

capital in the current development of the tourist industry, “it is difficult to imagine this transformation having taking place without the presence of an activist Mexican state” (Clancy, 1999: 15).

Political Liberalization

A limited role for the Mexican state in economic affairs would strength the position of the private sector not only in the economic realm, but in the polity of the country as well. Though the state did not completely abdicate its economic function (it continues to play a guiding role, for example, through public ownership of oil company PEMEX and the Federal Electrical Commission) “the balance of power shifted away from the Mexican state and toward private actors” (Levy, et al., 2001: 168). Such shift in policy orientations and balance of power would shape the unfolding of tourism in the period between the late 1980s and 1990s. In essence, the radical transformation of economic policy and its repercussions in state-society relations in Mexico would mould political struggles now in play in the country’s tourist policy arena. But before embarking on deciphering the interests behind the politics of tourism in contemporary Mexico, it is worth looking at crucial changes which have taken place in the polity of the country. In particular, special attention should be paid to the tortuous process of political liberalization through which the country’s institutions and practices have been altered, and the consequent emergence of a more plural society.

As was indicated in the previous chapter, between the late 1960s and early 1970s relations between the state and other social and political actors, in particular middle class urban groups, were tense. The Mexican state was finding it difficult to establish an

institutionalised bond with new forces by using the traditional corporatist mechanisms of representation and control, and sought to animate the party system as a way of channelling, through institutional means, expressions of protest. According to Middlebrook, by the early 1970s, “opposition movements among urban marginals, peasants, workers, and university students took on a new importance” (Middlebrook, 1986: 127). The ruling elite did not only have to restore the legitimacy of the regime as a consequence of the repression of the 1968 student movement, but had also to placate dissatisfaction among groups which had been affected because of the critical economic situation of the country. As was mentioned, the populist stances of the government of Luis Echeverría (1970-1976) had been causing the private sector distress. But the assassination of entrepreneur Eugenio Garza Sada by guerrillas, and expropriation of land in the states of Sonora, Durango, and Sinaloa had led to the refusal of business groups to invest, resulting in growing capital flight (Story, 1980: 7) which, together with other economic shortcomings, pushed the government to devalue the currency in 1976. The international value of the peso against the dollar jumped from 12.50 to 26.50 (Smith, 1990: 135).

In essence, if the political and economic stress which the country had been experiencing did not place the stability of the regime at critical risk, its legitimacy had been eroded. Additionally, the credibility of the Mexican political system had deteriorated when, in the 1976 electoral process, the opposition party PAN did not field a presidential nominee, and PRI aspirant José López Portillo faced an election “without the participation of a legally recognized opposition candidate” (Middlebrook, 1986: 128). In short, given the poor developmental performance of the PRI ruling elite, and the debility of the party system of a regime which had been proclaiming (at least formally

speaking) its democratic credentials, political liberalization was to be the response to such a combined dilemma. Since then, although without following a coherent plan or strategy, Mexican leaders initiated, in response to sporadic conflict, a gradual opening (or liberalization) of the political system.

I. Political Opening and Electoral Competition

Political liberalization in Mexico was first attempted in 1963 when the administration of López Mateos (in part as a response to the rail worker's movement of 1958 and middle class political discontent) sought to breath new life into existing opposition parties by introducing a system through which congressional seats were awarded to any party that received 2.5 percent of the national vote. Cornelius has noted, however, that the 1963 reform failed to achieve its objective since, given that opposition groups on the left such as the Communist Party of Mexico (PCM) had been banned since 1946, most opposition parties were unable to attain even the 2.5 percent of the national vote (Cornelius, 1987: 19). It was the 1976 elections, which turned out to be a desultory affair because the PAN failed to nominate a presidential candidate and left the PRI aspirant to run without any opposition, which led the new administration of López Portillo to give another boost to the Mexican party system as a way of preserving the regime. In 1977 he introduced the Law on Political Organizations and Electoral Processes (LOPPE) through which the arena for party competition was enlarged and leftist political organizations were encouraged to renounce extra-parliamentary forms of action (Loaeza, 1994: 109). The law enabled opposition parties to qualify for participation in electoral processes by polling only 1.5 percent of the votes cast in a nationwide election, and created a larger forum in the Congress for these parties. The

1977 electoral reform “increased the number of seats in the lower house, the Chamber of Deputies, to 400, 100 of which are reserved for opposition parties under a proportional representation system” (Cornelius, 1987: 20).

Miguel De la Madrid, who became president in 1982 just as the international debt crisis broke, implemented an austerity program which led to a cumulative drop of the GDP per capita of 12.4 percent in his six year presidential term (Domínguez, 1999: 4). According to Loaeza, reducing fraud in local elections, acknowledging the resulting opposition victories, and extending opposition parties’ opportunities for representation in the Congress, “was the price that the De la Madrid administration (1982-1988) was willing to pay in order to implement a severe adjustment program...” (Loaeza, 1994: 110). During the first ten months of the government of De la Madrid, electoral victories of opposition parties (particularly the right wing PAN) in municipal elections held in seven major cities, including the U.S-Mexican border city of Ciudad Juárez, were recognized (Cornelius, 1987: 22). In 1985 and 1986, however, the PRI regained control of these cities in an electoral contest which was “among the most blatantly fraudulent in recent Mexican history” (Rodríguez & Ward, 1994: 14). Such a course of events caused international and domestic protest (Levy & Székely, 1987: 69) and pushed PRI ruling elites to rebuild support for the system. Thus, the enacting of a Federal Electoral Code in 1986 was a response to the demands of a changed society and a means by which the credibility of the regime could be restored.

By the last year (1988) of the administration of President De la Madrid, Mexican society had undergone important transformations. It has been pointed out, for example, that since the mid 1980’s, “civil society has blossomed in Mexico, ranging from human

rights activists accusing the police of brutality to neighborhood associations demanding police protection, from middle-class feminists to squatters' associations, from environmentalists to church groups" (Levy, et al., 2001: 69). Natural disasters such as the earthquake which hit Mexico City in 1985 killing 7,000 persons, would come to have important political repercussions on the way relations between the state and society have been structured. The authorities' response to the catastrophe was slow, and left the impression that the government was an impotent actor. If the administration of President De la Madrid was severely criticized because of the handling of the crisis, the inhabitants of the capital city did more than simply condemn their state officials. In Smith's words, "the citizens of Mexico City responded with generosity and courage, giving instant aid and shelter to the *damnificados* in a spontaneous outpouring which prompted some observers to take note of the emergence of civil society" (Smith, 1990: 149). Organized in self-help groups such as tenants unions and construction teams, citizens volunteered to give aid to those who were most severely affected by the earthquake. These original forms of association and participation not only came to represent a challenge to the traditional corporatist structures of organization of the regime, "but they may also add significantly to the degree of democracy found in Mexico" (Levy & Székely, 1987: 107). In short, by the late 1980s, Mexican society had become more complex and diverse, and an array of independent organizations began to emerge.

The government of De la Madrid ended up marked by a serious division among the PRI ruling coalition as a consequence of the selection of neoliberal technocrat Carlos Salinas de Gortari as the party's candidate for the presidential elections of 1988. This intra-elite crisis led some members of the governing group to defect from the ruling party and

form, under the leadership of Cuauhtémoc Cárdenas, the son of Lázaro Cárdenas, “a large, left-of-center coalition that managed effectively to challenge the PRI’s hegemonic electoral position for the first time since its creation” (Heredia, 1994: 280). The opposition, in particular the left coalition (the Frente Democrático Nacional -FDN) headed by Cuauhtémoc Cárdenas, was quick to capitalize on the discontent generated by six years of zero growth, the social costs of stabilization and structural adjustment, and “the PRI’s retreat from its distributive commitments” (Dresser, 1994: 132). In the presidential elections of 1988 the FDN candidate came in second place with 31.1 percent of the votes, whereas the PRI nominee, for the first time since the formation of the party in 1929, “won the presidency with little more than an absolute majority (50.7 percent of the vote)...” (Ibid). The elections of that year proved to be not only the most contested since 1929, but one of the most contentious because the government’s computerized counting system broke down (for environmental reasons) when the results were about to be announced (Smith, 1990: 157; Levy, et al., 2001: 89).

When Salinas de Gortari was installed as president (1988-1994), “the combined opposition parties commanded 48 percent of the seats in the Chamber of Deputies, the highest proportion ever” (Domínguez, 1999: 4). Such a new composition of the political forces represented in the Congress and the fraud issue, led president Salinas to proclaim the end of the single-party system, and to acknowledge opposition victories (Hamnett, 1999: 284). Political liberalization particularly favoured the right wing PAN which had been consolidating a strong presence among urban middle classes in a number of regions (Heredia, 1994: 284). The PAN, for example, made electoral breakthroughs at the state level by winning the governor posts –in Baja California in 1989 and in Chihuahua in 1992 (Rodríguez & Ward, 1994: 14). After all, such opposition victories

were expressing the gradual pluralization of political forces within society, and confining the notion of democracy to the ambit of elections (Craske, 1996: 90). In the end, and despite the fact that during the administration of Salinas de Gortari there were many counts of fraud, “the new meaning of the vote has introduced a crucial change in Mexican politics: relative uncertainty” (Loaeza, 1994: 112).

Ernesto Zedillo succeeded Carlos Salinas de Gortari as Mexico’s president in 1994. He was elected with 48.8 percent of the officially recorded votes, whereas the PAN’s candidate Fernández de Cevallos came in second with 25.9 percent, and Cuauhtémoc Cárdenas of the new Party of the Democratic Revolution (PRD) third with 16.6 percent (Domínguez, 1999: 5). The 1994 elections, which were one of the most honest in Mexico’s history, took place in a context marked by extraordinary political turmoil. In that year, for the first time since 1928, a governing party’s presidential candidate (Luis Donaldo Colosio) was murdered, and six months later, a high-ranking official of the PRI was assassinated. Additionally, on January 1, 1994, the day the North American Free Trade Agreement (NAFTA) came into effect, the *zapatista* rebellion erupted in the southern state of Chiapas. Hence, to the uncertainty brought by competitive elections, the polity of the country was being plagued with more complex problems which were indicating the political system was proving incapable of anticipating events.

President Zedillo liberalized Mexican politics further by reducing the power of the presidency. For example, he announced that he would not appoint a successor (as all his predecessors did), and sent a bill to the Congress which has led to the creation of a more powerful Supreme Court, “enabling it to act as a counterweight vis-à-vis the presidency” (Rubio, 1998:14). Also, during the Zedillo administration an agreement

was reached “about the management of elections by creating an autonomous body on party and campaign financing, the Federal Electoral Institute...” (Ibid: 19-20). Though this process of political liberalization aimed to encourage the democratic evolution of the country’s polity, less democratic institutions and their actors (such as the *caciques*, in particular PRI political bosses) strengthened their positions within the system. In fact, with the restructuring of institutions such as the presidency, the center of gravity of Mexican politics had been displaced from the executive to the political parties and the governors. But maybe the most significant outcome of the implementation of a process of electoral opening (or political liberalization) which was initiated in the 1970s and began to consolidate in the 1990s, came to be the strengthening of the legislative branch of the state as a check on presidential power.

Since the 1988-1991 period, when the PRI was reduced to a bare working majority in the Chamber of Deputies (260 out 500 seats), Mexican presidents have to negotiate with the different political forces in the Congress. The continuous division among PRI factions (which dated back to the 1980s when technocrats began to be promoted to positions of power over longtime PRI members) even obliged Ernesto Zedillo to lobby the congressional leaders of his own party to secure approval of a key element of the government’s postdevaluation austerity plan in 1995 (Cornelius, 1996: 29). In short, by the second half of the 1990s there were signs indicating that the country’s polity has become more plural and uncertain. For instance, if in 1996 the PRI retained 78 percent of mayorships, the 22 percent controlled by other parties included most of the largest cities (Levy, et al., 2001: 106). And by the time Vicente Fox (2000-2006) became the first non-PRI president of the country, two thirds of Mexican states were controlled by parties other than his own (PAN) (Ibid).

In addition to the emergence of a more competitive party system, new actors and forms of organization such as the National Coordinator of Urban Movements (CONAMUP), neighborhood assemblies, and debtor's associations of agriculturalists and small businessmen, have gained strength. But rising electoral competition as synonymous of pluralism has not removed other less democratic forms of political power. It has been noted, for example, that whereas in some areas of the country the existence of a vigorous civil society and opposition parties make governing elites more accountable, other regions which lack such a network of political and social organizations have become the province of local elites "who have no intention of governing democratically" (2001: 107). In summary, the politics of tourism in contemporary Mexico would be shaped by a polity characterized by increasing pluralism. The strengthening of the party system, the gradual emergence of a system of checks and balances among the branches of the state, and the new activism of various organizations of civil society, would mean that for the first time, the politics of tourism in Mexico would be less state oriented, thus reflecting the shifts in the balance of power in favour of society.

Mexican Tourism: A Policy Arena

Greater political liberalization in Mexico has led to increasing electoral competition and the restructuring of state institutions such as the legislature. The presence of opposition parties in the Chamber of Deputies, for example, has allowed them "to influence the policy-making and legislative processes" (Rodríguez & Ward, 1994: 11). The political liberalization of the Mexican regime has also expanded pluralist representation of the

state at local levels. Due to the accumulation of opposition victories in local governments, the implementation of Municipal Reform by the mid 1980s, and the “willingness on the part of the federal government and the president to surrender some share of power” (Ibid: 116), the autonomy and strength of local authorities has enhanced. Actually, state and local executives are having to cope with more plural political structures in which civil society is becoming more active in day-to-day government (Ward, 1998: 361), and the judicial and legislative branches have acquired greater local prominence (Ward & Rodríguez, 1999: 686). In short, the politics of tourism development in recent Mexican history has been shaped by the tortuous transformation of the country’s regime in which social and political actors advance their various interest through the agency of organizations commonly called private (Gramsci, 1971: 12), political parties, or government agencies. In the end, the politics of Mexican tourism reflects the changes which have been taking place in state-society relations, that is, the country’s polity.

I. Entrepreneurs

With the retreat of the state from the economy, and as a result of political liberalization, new forces have strengthened their power vis-à-vis that of the politico-bureaucrats. In tourism, as in other social or economic activities, a wide variety of constituencies (and their interests) have begun to shape the direction of this industry. This is particularly the case in the private sector, that is business groups, which have come to acquire a greater influence not only in microeconomic reforms or development policies, but in national and local politics as well. As was illustrated in the previous section, the withdrawal of the Mexican state from the tourist industry pushed private capital to step in and take

advantage of a model of economic growth governed by market forces. Both national and local level tourist entrepreneurs have become more politically influential. In 1988, for example, business groups in the tourist industry sought to enhance their leverage in policymaking by forming an umbrella association, the so-called National Tourism Business Council (Consejo Nacional Empresarial Turístico -CNET). In doing so, entrepreneurs in the leisure sector have formed a single mechanism through which the fragmentation of the interests of the industry (hoteliers, owners of restaurants, coaches, and travel agencies, among others) is diminished, and communication with government authorities is eased. The CNET, after all, made clear that the business tourist sector had become a more independent entrepreneurial force within Mexican private capital. As a former president of the Mexican Hotel Association has noted, “We can not be an appendage of the business commerce organizations... until recently we had to be affiliated to commerce associations, and we do not have anything in common with trade people, we sell a service... we require a specific (business) organization...” (Interview with Felix Romano, 26-02-2002). One major aim of the CNET has been to be part of the executive committee of the Business Coordinating Council (Consejo Coordinador Empresarial -CCE) which is the highest organization of the Mexican business community in which the main industry associations as well as other national private sector groups are represented.

Prior to the arrival of PAN candidate Vicente Fox (2000-2006) to the executive office of the nation, the CNET had been lobbying the Mexican authorities to give tourism a priority position within the country’s economy. For this reason, it should be noted that the current administration’s National Tourism Plan 2001-2006 establishes that the promotion of tourism is a national priority, and that one of the main government aims is

to enhance the competitiveness of the tourist enterprises (Secretaría de Turismo, 2001: 15). But the entrepreneurial orientation of government policy is especially reflected in the personnel who came to occupy the top positions in the two main public tourist agencies. During the first three years of the Fox administration the Secretariat of Tourism was headed by Leticia Navarro, who before joining the cabinet was the international president of Jafra cosmetics, a firm which is part of the Gillete company. Nowadays, FONATUR is headed by John McCarthy who had been general director of the tourism division of bank Bancomer; president of the National Tourism Business Council –CNET; and president of Raintree Resorts International. As a matter of fact, the selection of state managers, “the best people”, in the administration of Fox, he himself a business man, has meant that “PRI-camarilla politics obeyed a different logic” (Levy, et al., 2001: 129). As the president of the Association of Hotels of the State of Quintana Roo, Javier Aluni Montes, put, “...at least in this administration are more entrepreneurs than politicians...”. Mr Aluni was pleased with the selection of John McCarthy as head of FONATUR because, in his words, he is a man who knows the problems of the industry. With respect to the appointment of Leticia Navarro as secretary of tourism, Mr Aluni regarded as very valuable her marketing knowledge because “...that is what we are looking for...” (Novedades, 24-11-2000).

The business class of the state of Quintana Roo, in particular that of Cancun, has become a decisive actor influencing the pace and nature of the development of the tourist industry in that part of the country. Entrepreneurs have become active political actors through their participation in specific business associations (or chambers), and by joining political parties and participating in elections campaigns. For instance, business man Juan Ignacio García Zalvidea is the PVEM (Mexican Green Party) mayor of the

municipality of Benito Juárez (Cancun). By getting involved in public policy decision-making, however, it has become clear that businessmen are far from being an homogeneous clique, but a group composed by different factions and interests. According to May Correa, the Business Coordinating Council of the Caribbean (Consejo Coordinador Empresarial del Caribe) is a powerful group which does not only lobby state local authorities for advancing tourism expansion, but seeks to influence the selection of party candidates who compete for legislative and government positions. The Business Coordinating Council of the Caribbean has its headquarters in the city of Cancun and is composed by 26 chambers and associations in which 5,000 entrepreneurs are represented (May Correa, 2003). In spite of the organizational strength of the businessmen of Quintana Roo, it is noticeable that there is division among them regarding issues such as environmental protection, foreign control of tourist enterprises, and increasing hotel supply. For instance, whereas leaders of business groups such as the association of small hotels of Playa del Carmen, and the local branch of the National Chamber of Commerce and Tourist Services (CANACO-SERVYTUR), opposed the construction of a large hotel complex in a sensitive environmental area, the think tank Economic Research Centre of the Private Sector (Centro de Estudios Económicos del Sector Privado CEESP) highlighted the economic losses which the cancellation of such project would involve (Novedades, 29-08-2000; Reforma, 12-05-2003).

Equally, while local hoteliers voiced their concern with the prospect of the construction of a port in Playa del Carmen, the national leader of the conservative Mexican Employers Confederation (Confederación Patronal de la República Mexicana COPARMEX), Jorge Espina Reyes, stated that those opposing the construction of the port were not only afraid of foreign competition, but were losing the opportunities that

new investments bring with them (Novedades, 14-01-2003; Novedades, 07-01-2003). The leader of COPARMEX went even further by declaring that the Secretariat of Tourism could be placed in private hands as a way of reducing government spending, whereas Raúl Picard, leader of the more nationalistic National Chamber of Manufacturing Industries (Cámara Nacional de la Industria de la Transformación, CANACINTRA) disagreed with Mr. Espina's proposal. In Mr Picard's view, the Secretariat of Tourism is an important institution because the government promotion of this industry aims to earn needed foreign exchange which can be used to finance the national economy (Reforma, 20-05-2001).

Summing up, since the mid 1980s when state elites began to promote a model of economic growth based on trade liberalisation, a free market, and the shrinking of state activism, the private sector has not only begun to acquire a key role in the development process, but has tended to exercise political power in a more direct way by occupying administrative posts and elective office as candidates of both the PRI and the PAN (Luna, 1995: 83). In fact, this changing framework has been illustrated with the ascendant role of businessmen as managers of government tourist agencies, and a more politically active –although ideologically diverse- private tourist caucus.

II. Local Governments, Civil Society and Tourism

Mexican entrepreneurs are not the only newly empowered group shaping the course of Mexican tourism, other actors of the so called civil society such as Non Governmental and Grass Root Organizations have emerged as important forces attempting to influence and resist policies which affect the use and distribution of resources (such as land,

water, and fauna) upon which their livelihood and the prosperity of the tourist industry depend. It is not the first time, however, that community, environmental and other kind of groups have become participating agents when government or powerful business action threatens their way of life and the natural resources around which their material well being is based. Cockcroft has noted, for example, that in 1980-1981 P'urhépecha Indian peasants (mainly women) opposed the construction of a government nuclear plant near the Michoacán's tourist haven Lake Pátzcuaro. These P'urhépecha women contacted other Indian communities from Canada and the United States, convinced men that getting a job in the nuclear plant would mean sickness, and won "the support of the local tourist magnates, whose own vested self-interest was not nuclear". In the end, the government was forced "to declare publicly that no nuclear center would ever be built in the state of Michoacán" (Cockcroft, 1983: 296). In spite of this successful construction of alliances which Indian communities in the state of Michoacán managed to form in order to resist the force of the state, it is more recently that organizations of civil society together with political parties and local authorities, have been constructing coalitions of interest groups as a means by which the direction of tourism development has been altered.

III. Tourism Development and Environmental Organizations

In the state of Quintana Roo tourist expansion has not solely concentrated on the beach resort of Cancun, but has expanded toward the south all along the coast. South of Cancun, as Torres records, "20 destinations considered part of the Riviera Maya offer a variety of tourist landscapes ranging from high-rise, all-inclusive mass tourism resorts to small, rustic *green* hotels on quiet beaches, and Mayan ruins, among others" (Torres,

2002: 97). This ambitious project, which includes the promotion of ecotourism and cultural tourism, has progressed at such a pace and scale that the environment has been put at serious risk. And it is around the environment issue that different constituencies have coalesced as a way of protecting their interests against a conception of tourist expansion which seeks to achieve high rates of growth at virtually any cost. In other words, the environmental effects of tourism growth has become an important focus around which alliances among various actors have been forged, and the changing framework of state-society relations has been represented.

Since 1997, when the Spanish Hotel Group Meliá bought 2.5 Km of beach front in Xcacel-Xcacelito, environmental associations such as *Salvamento Akumal de Vida Ecológica* (Save), *Grupo Ecologista del Mayab* (Gema), *Yaxché* (Arbol de Vida) and Greenpeace Mexico, began to voice their opposition to the group's intention to build a 1,453-room hotel in a protected natural area which serves as a refuge to endangered species such as the sea turtle. These Non Governmental Organizations together with the community of the municipality of Solidaridad, the local government, and business associations created a coalition which mobilized and successfully opposed the decision of the two federal environment agencies (National Institute of Ecology –INE, and the Secretariat of Natural Resources and Environment -SEMARNAT) to support the project of the foreign private corporation to build a large hotel complex in the area. This movement came to be more than an expression of the nascent vitality of Quintana Roo's civil society, but demonstrated the change in the balance of power toward local actors¹².

¹² Since 1940 until recently (mid 1990s), due to formal and informal prerogatives the president has occupied the highest position in Mexico's power structure. In such a centralized patronage system the president has not only appointed governors, but dismissed them when circumstances have made it necessary. Governors, in consequence, have depended upon the president for their arrival and continued occupation of their posts. At a different level but mirroring the same arrangement, municipal presidents (that is mayors) were chosen by the governor and removed at his discretion, despite the fact that they are

As a matter of fact, the mayor of Solidaridad, Miguel Ramón Azueta, not only stepped in by confronting the interests of a powerful international hotel group, but resisted the pressure exerted by the PRI governor Hendricks Díaz (1998-2004) who, in the initial stage of the conflict, allied with the investors. The struggle ignited by a massive hotel project which was perceived as a threat to the environment and the interests of business men and local inhabitants, reached national proportions when members of the Chamber of Deputies visited the area in order to assess the situation (Novedades, 19-11-2000). At this point the dispute over a valuable tourist asset had attracted the attention of wider audiences and gave the movement another political tool to oppose the project. As Haynes notes, it is essential if environmental campaigns are to succeed "...to build a relatively wide-ranging coalition of groups and organisations, large and representative enough to take on the state and its allies..." (Haynes, 1999: 239). In the end, various local actors coalesced around the protection of a resource which, if seriously degraded or destroyed, would ultimately have made them losers.

IV. Polluted Beaches and Local Defiance

When in 2003 the federal government, through the Secretariat of Natural Resources and Environment (SEMARNAT), announced that some beaches in resorts such as Acapulco, Zihuatanejo, and Puerto Vallarta were polluted, various local authorities complained of an announcement which, in their view, would only affect the tourist industry of these coastal cities. Whereas the secretary of tourism, Leticia Navarro, supported SEMARNAT in making public this information, officials of the government of the state of Guerrero and business leaders of Acapulco and other beach resorts were

formally elected. As Snyder has put, municipal presidents... "were virtually employees of the governors" (Snyder, 1999: 300).

outraged because the announcement was aired just two days before the beginning of the Holy Week vacations in April. While the secretary of natural resources, Victor Lichtinger, reiterated that it was crucial for the tourists to know which beaches were clean and which ones posed a risk to their health, the PRI governor of the state of Guerrero, René Juárez, said that he himself was going to swim in order to show that the beaches of Acapulco were clean and that the information the federal government was airing was not true. Actually, he and other officials of his administration, including the secretary of tourist promotion, Guadalupe Gómez Maganda, went for a swim on Caletilla beach on April the 12th (Reforma, 13-04-2003). Even the PRD mayor of Acapulco, Alberto López Rosas, followed the example of his political adversary and also went for a swim (Reforma, 14-04-2003). The president of the Mexican Association of Hotels and Motels, Miguel Torruco, backed the tourist industry of cities which had had their beaches reported as polluted. He stated that the (federal) authorities should not divulge this kind of information because in doing so the material well being of numerous Mexican families (which depend on tourism) is eroded (Reforma, 11-04-2003). Furthermore, and as a clear sign that political liberalization has allowed other actors to openly express their views, the local clergy also supported the interests of those linked, in one way or another, to the tourist industry. Actually, the archbishop of Acapulco, Felipe Aguirre Fanco, declared that he was not going to swim because other people (he meant governor Juárez and the PRD mayor of Acapulco) have already done that; instead, he could bless the sea water of the polluted beaches of Caletilla and Tlacopanocha!. He, after all, said that the federal authorities had made a mistake by making public the information about the polluted beaches (Reforma. 16-04-2003).

The local ruling elite was not the only actor which openly defied a measure of the federal government, small business men also disapproved of the action of the central authorities. For instance, small owners of restaurants and other tourist establishments removed the red flags from the beaches which warned tourists not to swim (Reforma, 29-08-2003). In the end, local actors prevented the central government from fully implementing its policy. The new secretary of tourism, Rodolfo Elizondo, and the secretary of health, Julio Frenk, declared that the federal government was now reaching a consensus with local governments regarding the level of pollution of the beaches (sic) (Reforma, 29-08-2003).

This account of the politics of Mexican tourism illustrates the way in which various local actors came together when outsider interests sought to regulate a sphere of activity from which material rewards are derived. Additionally, the conflict which arose as a consequence of the central authorities' attempt to administer the use of a crucial tourist resource exemplifies the gradual autonomy of both state and municipal governments in the conduct of intergovernmental relations. But the disputes which revolved around the issue of polluted beaches shows, above all, that in spite of increasing pluralism and democratising endeavour, the rule of law, that is, the state's authority to issue norms (and to implement them) "must be regularly compromised to ensure effective capacity for governance" (Heredia, 1994: 268).

V. Authoritarian Politics and Tourism

The struggle accompanying the cases of the sea turtle sanctuary of Xcacel-Xcacelito and the polluted beaches of diverse resorts is a manifestation of the changing political

framework in which tourism has been recently enmeshed. These two cases indicate that both organizations belonging to civil society and local authorities have strengthened their position vis-à-vis the politico-bureaucratic elites in the center. However, there is evidence which shows that the politics of tourism development in contemporary Mexico has not been completely divorced from more traditional or less democratic influences. For example, despite the fact that the country has gone through a process of economic and political liberalization, between the late 1980s and early 1990s subnational authoritarian regimes in states such as Guerrero and Chiapas stood firm. The PRI governor of the state of Chiapas, José Patrocinio González (1988-1993), sought to attract external investment by promoting a cluster of natural and archaeological tourist destinations which formed the so-called Mayan Route. However, he advanced this and other modernizing economic endeavours such as the exploitation of tropical fruit products, by repressing autonomous societal organizations and forging selective alliances with the traditional local elite of landowners. (Snyder, 1999: 326-327).

The PRI governor of the state of Guerrero, José Francisco Ruíz Massieu (1987-1993), pushed an ambitious project of economic modernization by repressing independent organizations of peasants and allocating, to the members of the official peasant organization CNC, the material rewards which the shrinking of state activism in the coffee economy produced. Having the support of CNC affiliated organizations which benefited from the dismantling of state and federal agriculture enterprises, governor Ruíz Massieu focused on his main economic project: to attract private investment (both foreign and domestic) “to the three tourist enclaves that formed Guerrero’s *Triangle of the Sun*: Acapulco, Taxco, and Ixtapa-Zihuatanejo...”. He placed in both domestic and foreign private hands the profitable enterprise of constructing “a luxury condominium

and shopping complex in Acapulco (Punta Diamante) and a new superhighway from Cuernavaca to Acapulco” (Ibid: 323-324). Thus, the evolution of Mexican tourism in a time when economic and political liberalization was giving room to the emergence of a more plural and participatory society, can not be disassociated from some of the long established authoritarian traits of the regime. It should not be forgotten that the human rights situation in states such as Chiapas and Guerrero was serious during the administration of governors González and Ruíz Massieu. In other words, if one ignores the fact that tourism came to be promoted as part of a neoliberal project of economic expansion which dealt with opposition by harsh means, then the politics of this activity are not fully apprehended.

VI. Workers and Tourism

Mexico’s economic and political liberalization has created room for the strengthening of its civil society. In such a setting, diverse actors such as entrepreneurs, non-governmental organizations, local state officials, and politico-bureaucrats have become visible players in the making of Mexican tourism. However, there is a remarkable gap of information about the role played by workers and their unions in the construction of the country’s tourist industry. In fact, scholarly research on Mexican tourism has overlooked the issue of labour-capital relations. It is worth taking into account, for example, that there has been a relative absence of conflict between labour and capital in the leisure sector. Such an harmonious relationship between workers and employers is a striking characteristic of the tourist industry. Especially during a time as the 1980s, when labour was severely affected because of inflation and due to the repercussions of the implementation of a harsh economic stabilization program. It has been calculated,

for instance, that “manufacturing wages fell an average of 7.0 percent annually, for a total six-year decline of 37.8 percent, while the minimum wage fell 8.5 percent, for a total decline of 42.4 percent” (Samstad & Collier, 1995: 14). Strikes broke out in the university sector and in the government nuclear power industry, as well as in the automobile industry, specifically in the Ford and General Motors plants (Middlebrook, 1995: 261, 276).

During the government of President Salinas de Gortari (1988-1994) manufacturing wages partially recovered some of the previous administration’s wage loss. In his six-year term, manufacturing wages increased 1.9 percent annually, although the minimum wage continued to decline, on average, 6.1 percent per year (Samstad & Collier, 1995: 28). In this period labour discontent revolved around union militancy and internal democracy. Both official unions and government reacted harshly to the challenge posed by dissenting organizations. Actually, when union dissidents openly challenged the control exerted by the official Confederation of Mexican Workers (Confederación de Trabajadores de México CTM), government supported the confederation in crushing strikes and militant internal movements in the conflicts at Ford –Cuautitlán, Tornel Rubber Company, and the Modelo Brewery (Middlebrook, 1995: 416). In short, accumulated wage losses and limited internal democracy led labour to openly express its dissatisfaction with the economic and political situation through strikes and union militance. But economic misfortune and tight political control, above all, has placed labour in a disadvantageous position vis-à-vis capital.

As has been illustrated, harsh economic and political conditions led labour, particularly in the manufacturing sector, to voice its displeasure with a growth model which came to

affect the living conditions of the rank and file. But if labour organizations in the industrial sector (and to some extent university employees) expressed their discomfort, there is no evidence indicating that the working class in the Mexican tourist industry was similarly angered. Generally, unions in the tourist industry do not take strike action (Interviews with Pedro Joaquin Coldwell, 08-03-2002; and Sigfrido Paz Paredes, 05-03-2002). As a matter of fact, it is not common to see disputes between labour and capital, but rather between different unions competing for the labour contracts which are regularly negotiated with tourist establishments. Much of the conflict between rival labour organizations has been confined to friction between the CTM and the Revolutionary Confederation of Workers and Peasants (Confederación Revolucionaria de Obreros y Campesinos, CROC). In 1992, for example, the two unions competed for contracts with the hotels of the Huatulco area (Madsen Camacho, 1996: 36). Thus, the contribution of unions to Mexican tourism has basically been confined to maintaining political stability because of their harmonious relationship with capital. As the general secretary of the federation of workers of the state of Quintana Roo, Jose Santamaría, put: “workers and entrepreneurs have been working together for some time, because that is the only way (tourism) will continue to grow...” (Interview with José Santamaría, 02-03-2002). Additionally, unions have been important agents in making the tourist industry work in Mexico via the training of the labour force. For example, in the Cancun project, FONATUR together with the CROC founded training centers. Through the CROC the Indian Mayas learnt Spanish, how to wear shoes, and how to use bricks for building walls (Interview, Sigfrido Paz Paredes, 05-03-2002). In other words, unions such as the CROC came to play a cultural broker role by assimilating the Mayas to the new modern world epitomized, for instance, by the beach resort of Cancun.

Unions in the Mexican tourist industry are less belligerent than their counterparts in the manufacturing sector because the leisure activity produces a partitioned labour market which, in the end, creates an effective environment for employers to gain control over workers. Given that within the tourist industry workers are often divided into separate groups according to the types of jobs to which they are assigned, hence “there is less likelihood that they can effectively make demands” (Madsen Camacho, 1996: 34). Furthermore, it has been noted that unions in the Mexican tourism sector “are not as sophisticated as other Mexican unions, making it difficult to have an authentic workforce defense” (Ibid: 36). Nonetheless, unions such as the CTM, particularly in the state of Quintana Roo, have been airing their discontent because of the lack of housing (Novedades, 11-08-2003; Novedades, 29-08-2003). As the highest CTM union leader in the state of Quintana Roo points out, if tips are not included, wages in the tourist industry are so low that workers cannot get a loan from the National Worker Housing Institute (Instituto Nacional de la Vivienda de los Trabajadores INFONAVIT). (Interview with José Santamaría, 02-03-2002). For this reason, when the Mexican Social Security Institute (Instituto Mexicano del Seguro Social IMSS) suggested that tips should be taxed, 5000 workers affiliated to the CROC demonstrated in the streets of Cancun and Playa del Carmen (Novedades, 03-07-2003). Paradoxically, even business leaders like Abelardo Vara, president of the Association of Hotels of Quintana Roo, disagreed with the government’s position and allied with the unions (Novedades, 04-07-2003).

Migration and Tourism

In the 1970s and early 1980s state-sponsored tourism led to a reorganization of the physical landscape of the country by inducing migration to new poles of tourism development. Whereas the tourist boom of Acapulco attracted a large flow of migrants (by 1970 the port had 326,312 inhabitants) (Schornick, 1977: 45) which led to the formation of a crowded city lacking adequate urban services, government promotion of this beach resort did not intend to alleviate heavy demographic concentration in places such as Mexico City. However, between the late 1960s and early 1980s ruling elites granted the state a central role in fostering tourism as a particular form of development through which migration to new large scale planned resorts would help to populate backward areas of the country and curtail population growth in crowded cities. For example, the establishment of a tourist integral center in Cancun, a site which was essentially devoid of a local resident population beforehand (less than 200 persons) (Collins, 1979: 356), would attract a large number of migrants from other regions of the country.

During the 1980s the population of Mexican cities grew at an average annual rate of 2 percent, whereas the respective figure for much of the planned and non-planned (or traditional) beach resorts was higher than the national average: Cancun (17.6 percent), Ixtapa (18.4 percent), Los Cabos (13.7 percent), Puerto Vallarta (9.2 percent), and Acapulco (5.5 percent) (Aguilar, et al., 1997: 265). Actually, between 1990 and 2000 the population of the city of Cancun increased from 170,554 to 407,951, whereas the number of inhabitants of the municipality of Solidaridad, which concentrates the bulk of the tourist expansion of the Riviera Maya, has expanded from 10,771 to 63,478

(Fonatur, n/d: 24). In short, by promoting tourism, state personnel in Mexico have induced the migration of large numbers of people to resorts areas which were barely populated.

Development and Tourism

The development activities of government organisms such as FONATUR have had a significant impact in terms of employment generation, and foreign exchange. Between 1973 and 1978, for example, 18,467 direct jobs, and another 55,895 indirect employment positions were created due to FONATURs' stimulus, whereas the private sector generated 91,750 posts over the period 1976-1978 (Moliner, 1982: 35, 76). By 1978, the share of tourism in the country's total employment was 3.9 percent (Truett & Truett, 1982: 12), whereas it contributed to finance 50 percent of the country's balance of payments deficit over that decade (Secretaría de Turismo, 2001: 37) Aided by an interventionist state or market driven, tourism in Mexico continued to grow during the 1980s. Tourist arrivals averaged 8.7 percent annually in that decade making Mexico the unparalleled giant of the international tourist industry in Latin America (Chant, 1997: 123). In 1987, when 5 million foreign travellers visited the country, tourism represented 6 percent of the Gross Domestic Product (Riizk Aziz, 1987: 25,27), and was the second highest source of external revenue next to oil (Long, 1991: 207).

In spite of the relevance of tourism in the productive structure of the country and impressive number of foreign visitors, the development repercussions of this economic activity are rather diverse. For instance, the per capita income of the state of Quintana Roo, which is largely dependent on tourism, is 38 percent higher than the national

average. Of 32 states which comprise the Mexican republic, Quintana Roo ranks sixth in per capita income. However, the state of Guerrero, where the beach resorts of Acapulco and Ixtapa are located, ranks 30. And the state of Oaxaca, where the large planned resort of Huatulco is situated, ranks 31 (Fonatur, n/d: 8). Furthermore, Quintana Roo has Mexico's fourth highest rate of malnutrition (Juárez, 2002: 117). Nonetheless, despite the fact that tourism is not a passport to development, Mexico continues to promote its expansion. In 1999, prior to the arrival of Vicente Fox in the executive branch of the Mexican state, the country earned US \$7,850 million and was visited (in accordance with the new methodology of the World Tourism Organization WTO) by 20.2 million travellers (WTO, 2000: 208, 213). Moreover, Mexico has become the eighth most visited country in the world, and its tourist industry employs nearly 2 million people, that is, 12 percent of the nation's labour force (Secretaría de Turismo, 2001: 77). In essence, the contrasting pictures comprising the expansion of this industry shows that tourism growth can be sustained at the expense of development.

Drugs and Tourism

During the 1980s, when Mexican state elites began to lay the foundations of a model of economic growth based on the promotion of exports, the Reagan administration hardened its fight against drugs. As Toro has put, "by the end of the decade, the United States had developed the most powerful and encompassing drug law enforcement apparatus ever..." (Toro, 1995: 30). By 1986 Mexico had become the main supplier of marijuana and heroin for the U.S. market (Levy & Székely, 1987: 209), and it was believed that 30 percent of all cocaine available in the U.S. had been crossing Mexican territory (Toro, 1995: 31). These figures indicate that the drug issue had become a

central point of cooperation and conflict between the two nations. In fact, drug trafficking has led bilateral relations to oscillate between periods of higher and lower tension. In 1969, for example, U.S. president Richard Nixon put into action, without telling his southern counterpart, Operation Intercept. This exercise, which enabled American authorities to launch careful border searches, had economic costs “for it significantly slowed tourism and frontier trade” (Levy & Székely, 1987: 208). Except for that contentious event, before the 1980s the drug problem was mainly reduced to the phenomenon of young Americas travellers discovering real Mexico. In Calvert’s words, “conflicting crosscurrents were generated... by the presence on Mexican soil at all times of large numbers of students from the United States bringing with them hippy culture and an embarrassing interest in the rapid growth of marijuana under Mexico’s cloudless and uncrowded skies” (Calvert, 1973: 303). In a similar fashion, Zolov has noted that, “by the mid 1960s, scores of countercultural tourists (beatniks and hippies) also had crossed the border...” They, he continues, came to visit places such as the Mazatec Indian village of Huautla de Jiménez (in the state of Oaxaca), where “hallucinogenic mushrooms grew wild and were used by the local population in ritual healing practices; here indeed was an authentic indigenous experience” (Zolov, 2001: 235).

In the 1980s, when law enforcement progress against Colombian cartels produced an opportunity for Mexican drug traffickers (Levy, et al., 2001: 215) to exploit the American market, the drug problem began to take on serious dimensions. The Reagan administration responded to this changing circumstances by bolstering the U.S. government’s capacity to assert its criminal laws extraterritorially (Toro, 1995: 30). Ignoring national jurisdiction, some American agencies such as the Drug Enforcement Agency (DEA) began to operate in Mexico. And when in 1985 the U.S. agent Enrique

Camarena was murdered (either by Mexican drug traffickers or by police on a trafficker payroll) in Guadalajara, bilateral relations suffered a severe blow. Actually, the American administration not only launched damning attacks on allegedly corrupt, inept, and cowardly Mexican officials (Levy & Székely, 1987: 209), but it also responded by putting into action Operation Intercept II which, as in 1969, came to affect the Mexican tourist industry (Bringas, 1991: 22). According to Toro, during Operation Intercept II the border was partially closed for eight days in February 1985 (Toro, 1995: 62). More recently, drug trafficking and corruption have directly affected tourism in Mexico. For example, by the late 1990s various federal government investigations found the PRI governor of the state of Quintana Roo, Mario Villanueva, deeply implicated in drug-smuggling operations in his state (Cornelius, 1999: 7). As Cornelius notes, the state of Quintana Roo, where the resort city of Cancun is located, “in recent years has become one of the key transshipment points for cocaine destined for the United States” (Ibid).

State authorities, however, have not been the only actors involved in drug smuggling. According to Pacheco and Caballero, the brother of the mayor of the municipality of Benito Juárez (Cancun), entrepreneur Fernando García Zalvidea, is a business associate of drug dealer *El Azul!* Esparragoza. Fernando García Zalvidea sold in 2003 the hotel Real Caribe to the Spanish hotel group Riu, an establishment which was confiscated by the federal authorities in 1998 because of investigations in relation with the Cancun affair in which governor Villanueva was implicated. García Zalvidea has also been linked with the Tomassi brothers; in confessions to federal authorities, drug dealers operating in the state of Quintana Roo mentioned that the Tomassi brothers laundered money (Pacheco, 05-08-2003; Caballero, 05-08-2003).

In summary, the development of other outsider events such as the escalation of drug trafficking have impinged on the development of Mexican tourism. U.S.-Mexican conflicts over drugs have led to the partial closure of the border thus affecting the tourist sector. And while bilateral relations have been put under strain due to drug smuggling, the Mexican tourist industry has been infiltrated by the drug traffickers as they move into "legitimate businesses through which they can move their illegal products" (Levy, et al., 2001: 218). But despite the fact that the expansion of organized crime in Mexico has become a national security issue, the intimate relationship between drug traffickers and legitimate tourist businesses has not reached the levels of Batista's Cuba, or the Bahamas in the 1980s (Patullo, 1996: 94). Apart from the Cancun affair in which former governor Villanueva was involved, information about the links between drug traffickers and the tourist industry is not only difficult to trace, but difficult to corroborate because it basically relies on anecdotal accounts, excepting newspaper stories.

Mexico: A Beach Nation ?

Government assistance to the tourist industry has favoured the development of specific localities. For instance, development institutions such as FONATUR have mainly sought to promote the expansion of tourism in certain coastal areas of the country. It has been pointed out, for instance, that the beach resorts of Cancun, Ixtapa-Zihuatanejo, Puerto Vallarta, and Manzanillo (state of Colima) concentrated 50 percent of FONATUR's credit operations and investments in the period 1973-1977 (Truett & Truett, 1982: 15). This orientation of the government policy would mean that for most foreigners, excepting those American travellers who visit the border, their idea (or

tourist experience) of Mexico would be reduced to sandy, warm beaches either in the Pacific or in the Caribbean. As has been pointed out in previous chapters, since the 1940s to the first half of the 1960s, Mexican tourism was framed by a conception of the country based on pyramids, *charros*, *chinas poblanas*, the modern Mexico City, colonial cities such as Taxco, and the port of Acapulco. But from the late 1960s onwards, state led tourism development came to reinvent the landscape of the country by exhibiting Mexico as a collection of beaches, although the traditional identity of *lo mexicano* has never been eliminated. For instance, due to the influence of Miguel Alemán as head of the National Tourism Council, the administration of López Mateos (1958-1964) constructed the National Museum of Anthropology, and the Museum of Modern Art in Mexico City. Also, in a meeting that Miguel Alemán held with the then president López Mateos, he secured the financial resources to restore the pyramids of Teotihuacán, and construct a new road connecting this important Aztec urban center with Mexico City (Guajardo, 1995: 118).

State promotion of tourism as a developmental avenue would also lead to the construction of a narrative image and travel experience of Mexico in which regional diversity, the Aztec or Mayan cultures, the colonial past, folklore and custom, are picturesque components of a totalising notion made of golden beaches and modern hotels. For instance, by the late 1990s the beach resort of Cancun has become the country's most important international vacation spot, capturing 25 percent of all foreign tourists (Torres, 2002: 95). The Secretariat of Tourism has recorded that, with the exception of Mexico City and Guadalajara, 83.7 percent of a total 8.2 million air travellers who visited Mexico in 2000, arrived at the airports of beach resorts such as Los Cabos, Puerto Vallarta, and Cancun (Secretaría de Turismo, 2001: 45).

Nonetheless, the Mexican authorities, specifically agencies such as FONATUR and the Secretariat of Tourism, have been diversifying the country's tourist product by promoting, for example, cultural and ecological tourism. In doing so, they have been reinventing Mexico's image for domestic and foreign consumption. For instance, Castañeda has argued that in Mexico, particularly in the southern part of the country, "archeological factories of knowledge spread through the region... as these loci of Maya civilization became the targets for (re)construction as potential tourist attractions; these archeological sites... became organized into a network of tourist sites" (Castañeda, 1996: 71).

Given that state-sponsored cultural tourism enmeshes with other tourist trends, the construction of a narrative of Mexico becomes more complex. After all, and since the time Miguel Alemán gave the first big push to the Mexican tourist industry, the country has always been in search of modernity without leaving behind tradition, or *lo mexicano*. When in August 2003 the W hotel, part of the Starwood Hotels and Resorts group, was opened in Mexico City, tourist officials hailed its inauguration because such a venture would give the country a further boost, "showing potential visitors that, alongside the traditional attractions, there is a hip Mexico waiting to be discovered". Three years before the opening of the W hotel, the inauguration of the Habita hotel in Mexico City prevented this big metropolis from being short on trendy hotels. As it has been put, "with its frosted-glass façade, dazzling white interior and ambient background music, the 36-room Habita is as far removed from Mexico's traditional colonial style as possible" (Choat, 2003: 8). In short, the image of the country which has been constructed as a result of the expansion of tourism, is a two current flow in which old and new, traditional and modern, are always linked. As some scholars have put it when

commenting on the country's attractions, "Mexico is blessed with beautiful, extensive, and warm beaches. Tourists can choose from modern entertainment and fine tourists accommodations, quaint folklore, or archeological treasures. A visit to Mexico City offers not only the sights of a huge metropolis, but short side-trips to a great number of tourists attractions: pyramids, hot springs, Taxco (the silver city), Cuernavaca (the city of eternal spring), Querétaro (a charming colonial city), and Puebla (a historic metropolis with Spanish influence)" (Levy & Székely, 1987: 210).

Conclusion

From 1970 to the present, Mexico's economy and polity have suffered significant changes. In the economic realm, for example, the country's development model has moved from one in which the state came to play a direct entrepreneurial role, to another in which market forces have taken a central function. From 1970 to 1982, ruling elites expanded the developmental capabilities of the Mexican state as a way of neutralizing the effects provoked by the exhaustion of the import-substitution model. Increased state intervention in the productive structure of the country, however, placed economic growth under severe strain, especially when oil international prices decline and world interest rates increased. The debt crisis of the early 1980s signalled the abandonment of a state-led path of development, and the beginning of a model of economic growth in which market forces and private capital have acquired a salient role. Consequently, tourism development during this transition period has been characterized by an initial stage in which the state assisted the expansion of this industry through the lending activities of FONATUR, and the creation of a government milieu of tourist enterprises.

Whereas in a second phase Mexican tourism has been distinguished by the withdrawal of the state, and the ascendant drive of the business sector.

In the political realm, Mexican tourism has been shaped by a liberalizing process by means of which the party system has become the main institutional channel through which social and political discontent has been expressed. Though political liberalization has aimed to ventilate the country's semi-authoritarian regime, it ultimately led to the opening of institutional spaces by virtue of which diverse actors have become more politically active. But political liberalisation has not only induced the strengthening of the party system, it has also given new energy to a civil society which had become more complex and vigorous as a result of decades of continuous economic growth. The emergence of various grass roots organizations and the strengthening of an institutional edifice, however, has not meant that less democratic forms of political action have disappeared from the Mexican political scene. In fact, tourism has also been promoted alongside repressive patterns of rule, especially at the sub-national level. Nonetheless, since the mid 1980s the politics of tourism in Mexico has begun to be more visible due to the influence exerted by more dynamic constituencies such as entrepreneurs, environmental organizations, and local state managers. In short, whereas the construction of Mexican tourism had mainly been moulded by state action due to the weakness of civil society, economic and political liberalization has allowed diverse social and political actors to intervene in a policy arena which had largely been dominated by technocrats and bureaucrats of the federal government.

The economic importance of tourism is not negligible, although it is far from being a developmental panacea. Nevertheless, tourism has generated jobs and brought foreign

exchange. But in addition to its contribution to the productive structure of the country, tourism has been mainly used as a way of diverting the migration flow away from already crowded cities. In other words, tourism has been a mechanism by virtue of which territorial reorganization has been induced. State promotion of tourism, however, has entailed the marketing and consumption of the country as a product primarily made of beaches, although folklore, the colonial past, and Mayan and Aztec ruins, are all essential parts of a tourist commodity depicted as intrinsically *mexicano*. In the end, the politics of tourism development in Mexico is the result of a combination of various forces shaping its course over time. Such an assorted nature of the evolution of Mexican tourism, however, calls for political inquiry. An inquest of this kind enables us to decipher the changing role played by distinct institutions and actors in the making of Mexican tourism in a transition time marked by major shifts in the economy and polity of the country.

In the next chapter, I argue that Mexican tourism can and should be understood politically. I contend that the evolution of tourism in Mexico gives us the opportunity to elaborate on our conception of politics. But, above all, the next chapter indicates that tourism constitutes a prism through which both long-standing and novel aspects of the polity of the country are depicted, just as the changing configuration of the polity has influenced tourist development in Mexico.

Chapter IX

Conclusion

Introduction

This analysis of the politics of tourism development in Mexico has brought to the fore some themes that deserve to be elaborated. In this conclusion I therefore underline those central elements which constitute the core of the politics of Mexican tourism. In doing so, this concluding chapter shows that this thesis has attempted to be a modest contribution to notional corpuses seeking to understand the polity of the country, and the process of development. Additionally, the findings of this inquiry have brought some light to some issues which await to be scrutinized. Eventually, in this chapter some final reflections should be made on the notion of politics and its relation to our understanding of the development of tourism in Mexico. Particular attention should be paid, for example, to the manner in which our appraisal of the interplay of diverse forces behind the unfolding of tourism allows us to highlight some of the main features of the polity of the country.

The present chapter also shows that this work has enabled us to make some claims about the central task that the Mexican state has played in the promotion of tourism and other development activities. In doing so, this insight into the politics of Mexican tourism is, after all, a novel contribution to a longstanding theoretical debate in which the state has been portrayed as a leading actor in the promotion of development. To put it differently, this appraisal of the assortment of various moulding actors and arenas lying behind the unfolding of tourism in Mexico is nothing but a particular case study of

the politics of development. Summing-up, here it is emphasized that the expansion of Mexican tourism has been a historical product of both external influences and of the economic, political, social, and cultural institutions upon which different actors operate and shape the development of this economic activity. Hence, the politics of tourism in Mexico, as was firstly noted in chapter I, sheds some light on the workings of the power structure of the country, and on the manner in which the balance in state-society relations has been altered. In a word, in this conclusion I contend once more that the historical development of Mexican tourism is a useful lens for viewing the tortuous and changing course of the country's polity.

Re-examining Politics

As was indicated in chapter three, tourism has hardly been a focus of research by political scientists. As a discipline, political science is defined, according to Goodin and Klingemann, "by its substantive concerns, by its fixation on politics in all its myriad forms" (Goodin & Klingemann, 1996: 8). In spite of its all-encompassing character (politics is present in all social activities and spheres, that is, there is politics in schools, clubs, churches, in the family, and in male-female relations) political science has largely neglected the study of tourism. Tourism has not been a favourite field of analysis of politics because, apart from occasional exceptions, it has hardly emerged as an important issue in the political arena. Though tourism is not as politically visible as say, agriculture, industry, or education, it is, nevertheless, a contentious sphere. Hence, despite the fact that tourism seems to be an indifferent realm around which few disagreements have arisen, this does not mean that this activity is devoid of other faces of power. These characteristics of the tourism phenomenon have not only inhibited a

discipline such as political science from studying it, but have made it necessary to reconstruct our definition of politics in order to decipher the kind of arrangements or frictions moulding the development of this sector of the Mexican economy.

As introduced in the first chapter, my analysis of Mexican tourism has been conducted by taking an eclectic position with respect to politics. Such a stance conceives the political phenomenon as something more than a key issue around which disagreement arises because of the differences in preferences or dissimilar interests of those who comprise society. This is not to deny the fact that tourism is embedded in domains within which diverse and disparate actors, that is political forces, pursue distinctive goals. After all, politics encompasses conflict and consensus, but it would be of little help to exclusively confine it to the terrain of decision-making. In a similar fashion, politics cannot be entirely restricted to the question of rivalry over the appropriation of (especially scarce) resources, although elites, subordinated social groups and class factions compete over the use of diverse values and resources such as income, deference, safety, land, water, education or health. Heywood argues, for instance, that “politics concerns the production, distribution and use of resources in the course of social existence” (Heywood, 1997: 10). Actually, political acts have distributional consequences in the form, basically, of distributional struggles (Goodin & Klingemann, 1996: 8). However, strife is not a timeless aspect of all political phenomena. In other words, Mexican tourism has been a province where, until recently, the forging of coalitions and the occurrence of clashes were hardly visible facets of the course of its development. Again, this is not to suggest that conflict and consensus have not been part of the politics of tourism in Mexico, but to realize that these two facets of power have mostly been latent (or unexpressed) shaping forces.

Politics cannot be solely reduced to the fights or alliances surrounding the making of concrete decisions in key areas. Equally, politics cannot be entirely confined to discord produced by the distributional effects of political acts. Such conceptualization of politics prevents us from comprehending the way in which issues (such as tourism in Mexico) have evolved and become more visible in the political arena. In sum, the eclectic approach to politics which has been adopted in this work, pays attention to the distinct power networks of groups, class factions, and institutions, shaping the formation of tourism in Mexico. Furthermore, this mixed conception of politics incorporates social, economic and external (world) events as important variables of its inquisitive endeavour to decoding the various aspects of the political realm. In other words, politics is also concerned with deciphering the forces that have brought into being and sustained an issue such as tourism. In doing so, many facets of political phenomena are brought to the fore and can be interpreted. This eclectic approach to the study of Mexican tourism does not deny the assumptions about power elaborated by different theoretical currents, but it does not take them for granted. It seeks, after all, to examine the manner in which an issue such as Mexican tourism has evolved and disclosed its distinct political faces.

Mexican Politics and Tourism

While the evolution of Mexican tourism sheds some light on the workings of the country's polity, salient properties of the latter have, to a certain extent, shaped the development of this economic activity. Structural characteristics of the country's political system such as corporatism, semi-authoritarian rule, and a strong presidency

came to influence the behaviour of state and social actors and the course of different development policies. Thus, the promotion of tourism, agriculture, industry, or the reforming of the health or education systems, can not be isolated from a political edifice distinguished by the workings of corporatist instruments of representation and control of important segments of society, the functioning (until the late 1980s) of a dominant political party (PRI), and concentration of power around the presidential office. In the end, executive centralism and pre-emptive forms of interest aggregation within the official party (PRI), led to the formation of a semi-authoritarian regime distinguished by limited pluralism and intermittent arbitrary exercise of power. In essence, these distinguishing properties of the Mexican polity came to constitute a wider shaping framework within which tourism has evolved.

The politics of tourism, as with the politics of food (Fox, 1993), the automobile industry (Bennett & Sharpe, 1979), water (Whiteford & Melville, 2002), or oil-led economic growth (Teichman, 1988) reflect distinct aspects of the distribution of power and decision-making in Mexico. However, all these policy arenas refract, at some point, specific political features which make them different from the others. Nonetheless, tourism development as well as the creation of a domestic automobile sector or the promotion of petroleum expansion, depicts some enduring tendencies of the polity of the country. For example, in tourism as in the other policy arenas the state (in particular its managerial staff) came to play a dominant role in setting goals, inducing change, and allocating resources. Indeed, a salient hallmark of the Mexican polity has been the all-encompassing character of the state and the weakness of private associations, interest groups and communities belonging to civil society. For example, state-led tourism development in Mexico did not face strong opposition from a densely organized or

hostile associational network. As Clancy has noticed, “domestic private sector interests surrounding tourism remained, in the 1960s and 1970s, relatively unorganised” (Clancy, 1996: 293). State manoeuvring was facilitated given that business groups have been, for the most part, passive but supportive agents of government policy. They, after all, have benefited from both state and market oriented tourism expansion. In a similar fashion, unions have not been an anti-tourism force, due to their tacit support for any form of growth. In fact, collaboration between capital and labour should be regarded as a specific aspect of the politics of Mexican tourism.

The relative absence of inter-bureaucratic strife and conflict has been a remarkable aspect of the development of Mexican tourism. But this and other distinguishing features of the politics of tourism, however, are not necessarily found in other policy arenas. For instance, despite the fact that bureaucratic elites were the responsible actors devising and advancing crucial policies affecting the distribution of basic food supplies and the orientation of economic growth toward rapid petroleum exploitation and exportation, none of these state managers came to enjoy the insularity and freedom of action that their counterparts at FONATUR or the Bank of Mexico were favoured with. On the contrary, bureaucrats at the government oil company, PEMEX, for example, could not increase the petroleum production ceiling because of the opposition of both quasi-populist and neoliberal technocratic factions entrenched in the government of president López Portillo (1976-1982). In the case of the food strategy that reformist (or quasi populist) bureaucrats implemented in the early 1980s, Fox notes that “large private agribusiness, ranching, and commercial interests, in alliance with conservative government *developmentalists*, were sufficiently powerful to block a significant extension of the agrarian reform, but they were too weak to reverse it politically” (Fox,

1993: 210). According to Hernández, the Mexican federal government project of water distribution in the Nexpa irrigation district in coastal Guerrero has been influenced, to some extent, by local groups (armed family factions and copra producers) (Hernández, 2002: 145). In the 1970s, cattlemen in northern Mexico exercised some sort of resistance to governmental intervention in the beef industry. Increasing involvement of central government was seen as a threat to such values as individual endeavor, governmental decentralization and traditional beef cattle-producing practices (Machado, 1981: 122, 124). For Sanderson, the agricultural leadership of the Mexican state has been weakened by agribusiness giants. Private entrepreneurs, he comments, “escape government control largely through their financial independence and political power at the local level...” (Sanderson, 1986: 282).

The state’s aim of advancing import substitution by persuading transnational automobile corporations to undertake domestic manufacturing (1960-1964), resembles some important characteristics of the politics of tourism. For example, it has been pointed out that whereas the bargaining over policy principally involved the Mexican government and American transnational automobile firms “...the voice of labor was completely excluded, and national entrepreneurs played only a minor role” (Bennett & Sharpe, 1979: 60). Like tourism growth in Guerrero (Ixtapa), the federal government’s step-up investments in the Nexpa irrigation project, located 120 kilometers from Acapulco, was, in part, “a direct response to the guerilla movements that... shook the coastal area” in the 1970s (Hernández, 2002: 147). All in all, the occurrence of conflict or bargaining in the sphere of other activities different from tourism and the relative absence of antagonism in the province of the latter, indicates that the politics of tourism as the politics of food, water, oil, or industry, have to be grasped by assuming that the

shaping forces of diverse actors, policy networks and institutions are not the same in every domain.

Though Mexican tourism has largely been the end result of state action, the politics of this economic activity demonstrates that, at different stages and specific locations, certain interest groups such as national and foreign entrepreneurs, and state-level power brokers (governors), have influenced the expansion of the country's tourist industry. This has been the case, for example, in the politics of tourism in places such as Acapulco and Puerto Vallarta between the 1940s and mid 1960s. However, the leverage of non-state actors such as entrepreneurs, environmental organizations and communities, and the emerging vitality of local authorities in tourism decision-making, began to be felt when, with the arrival of president Miguel De la Madrid to executive office of the nation in 1982, a process of economic and political liberalization was inaugurated. Such a liberalizing process signalled the end of a pattern of state activism which took the form of financial assistance through FONATUR and public owned enterprises such as hotel chains, restaurants, and other related tourist facilities. In fact, stimulated by a shift of orientation of the political economy along neoliberal lines, changes in the balance of power in favour of civil society led to the gradual formation of a more plural polity distinguished by increasing electoral competition although the presence of some authoritarian traits of the system have remained in place.

If the prime shaping framework of Mexican tourism has been a political regime which came to maintain order and foster capitalist development through (basically, but not exclusively) mechanisms of cooptation and control, that is, limited pluralism, external variables came to be important moulding forces at different times. In fact, not only the

national context has been a decisive factor of the politics of tourism, the geopolitical position of Mexico has acted, at some points, as a powerful conditioning force affecting the development of the country's tourist industry. For instance, collaboration between Mexico and the United States during World War II and the use of the media proved to be a crucial stimulus to the expansion of Mexico's leisure sector. The destabilizing threat posed by the triumph of the Cuban revolution in the late 1950s and after, for example, was a determining factor inducing Mexican elites to promote tourism in places such as Cancun in the Yucatan peninsula. More recently, the drug issue has become not only a disturbing element in the development of the country's tourist industry, is an area in which the conflicting relationship between Mexico and the United States has been represented. In the end, these external events are indispensable components of the politics of Mexican tourism.

The Mexican State and Development

A major feature of tourism development in Mexico has been the dominant role that the state came to play in the making of this economic activity. Actually, between the 1940s and the early 1980s, the state performed different supporting functions ranging from moderate financial assistance, the launching of promotional campaigns abroad, and the construction of entire resort cities. However, government promotion of tourism did not aim to expand the access of Mexican workers and employees to leisure activities such as art, music, theatre, cinema and vacations. In fact, the encouragement of tourism has largely been developmentally oriented. In other words, governing elites in Mexico have supported the expansion of the tourist industry as a means by which diverse state aims have been attained. Similarly to tourism, state promotion of other productive activities

in Mexico have also intended to achieve wider economic, social and political objectives. That is the case of the gradual involvement of the Mexican state in the electrical industry which, by the time of the creation of the government agency Federal Commission of Electricity in 1937, was largely owned by foreign companies. Though tourism has not been an insignificant enterprise, it has never attained, however, the political and economic importance of a strategic activity such as electricity. By fomenting the direct participation of the state in the production and distribution of electricity, statesmen holding distinct political and ideological postures like Cárdenas (1934-1940), Miguel Alemán (1946-1952) and López Mateos (1958-1964) assisted the evolution of native capitalism. In short, state involvement in the electrical sector aimed to support the development of the means of transport and communications, the construction of an internal market and, ultimately, the expansion of the industrial sector. Moreover, electricity was not only a key resource if economic growth had to occur, but it became a public good which had to be enjoyed by all Mexicans (Rodríguez, 1994: 28). Consequently, it was the concern of state personnel, not foreign companies, to provide the national economy and Mexican society with such a vital resource. It has been noted, for instance, that in the period 1939-1943 private enterprises did not invest in infrastructure (Bastorrachea & Aguilar, 1994: 254). Additionally, given that the provision of electricity to the rural economy and its people was not profitable, foreign companies ignored the productive and social needs of the Mexican agrarian world (Rodríguez, 1994: 17). Hence, in 1960, during the administration of president López Mateos, the government nationalized the electrical industry by buying 95 percent of the shares of the Mexican Light and Power Co., and the totality of shares of the American and Foreign Power Co. As in the case of tourism and other ventures, the Mexican government used the development bank Nafinsa to step in the electrical sector. It has

been recorded that Nafinsa paid US \$65 million to win possession of the assets of the American and Foreign Power Co. (Bastarrachea & Aguilar, 1994: 258).

Mexican state managers have basically seen tourism as a developmental avenue. Such a salient characteristic of the evolution of tourism in Mexico, however, is a product, to some extent, of the historical formation of the state. The Mexican state, as other states in the Third World, has been the main active agency responsible for development. But such an attribute of the state is the end result of its relation with other socioeconomic forces. Hence, the state as a leading critical actor marshalling the process of development (especially in the Third World), “should be analysed through its compenetration and articulation with the rest of society” (Jessop, 1990: 53).

Despite the fact that the Mexican state and its counterparts in the Third World have displayed similar patterns of developmental activism, there are some peculiar traits of the former which deserve to be mentioned. As indicated in chapter 5, the state in Mexico came to acquire an activist role in the economy as a consequence of the political arrangements worked out as a result of the 1910-1917 revolution. In fact, the capacity of the state to affect society and promote development is to be found, primarily but not exclusively, in the political and economic institutions created in postrevolutionary Mexico. Such capability of the Mexican state to alter values and distribute resources has taken the form, for example, of school programs, and the construction of steel mills, paper and cement plants. Actually, it has been noted that in Third World countries the role of the state has been absolutely central in diverse areas of developmental concern such as land reform, agrarian change, capital accumulation, and education (Leftwich, 1990: 98). And as chapter 4 illustrates, tourism has been another domain in which the

state in the Third World has played a promoting task. In fact, independently of regime type and location, from authoritarian Cuba to quasi-democratic Turkey, or democratic Costa Rica, the role of the state in the promotion of tourism as a developmental avenue has not been insignificant.

As in the case with other developing nations, the interventionist function that the Mexican state came to perform in different economic activities was prompted by a situation characterized by late-starting industrialization, the unwillingness or incapability of the private sector to enter in certain productive areas, and the leadership's aspiration of transforming Mexico into a modern or so-called first world nation. However, state activism in Mexico was not only shaped by economic considerations, but by major political necessities such as that of maintaining order, social peace, and national security. In the end, the politics of development should be comprehended by two decisive functions of the state, that is, to maintain the conditions which guarantee both capital accumulation and political stability. Such a double task, however, can only be carried out by politico-bureaucratic actors who, within the confines imposed by social conflict, steer state action in this or that direction. In doing this, the bureaucracy implements policies (that is, it uses state resources) to achieve its goals, without committing itself to a capitalist class, but securing capital accumulation. Thus, this relative autonomous function of the Mexican state should be interpreted as its commitment to capitalist development, but not to a capitalist class (Camp, 1989: 10).

The Mexican State and Tourism

Tourism growth in Mexico is an illustrative case of a theoretical stance and developmental practice which situates the state as the guiding actor setting a course of action by means of which the ills of underdevelopment such as hunger, poverty, unemployment and backwardness are alleviated. As was illustrated in chapter 5, since the 1930s state elites in Mexico were aware of the developmental nature of tourism. However, this appreciation of the attributes of tourism did not translate into the establishment of an organizational capacity to back its expansion. It was in the mid 1940s, but especially in the late 1960s, that the Mexican leadership began to fully promote tourism as a way of helping to sustain economic growth, and generate employment and foreign exchange. Despite the fact that the ruling elite of the time left aside from the concept and process of development basic assets through which the quality of life of the poor can be enhanced (for example, clean water, schools, health, and regular food supplies), the promotion of tourism assisted the achievement of other developmental aims such as industrialization. In addition to this, government support of tourism aided the accomplishment of such distinct goals as territorial decentralization, national security and political stability. For example, between the 1920s and the 1930s, ruling elites lured ambitious generals and politicians to become entrepreneurs in the leisure sector as a way of diverting their power ambitions away from office. By channelling the ambition of power seeking actors into less dangerous domains, that is, by allowing them to become rich, governing elites at the time helped to enhance the stability of the new regime. The construction of an entire resort city in Baja California Sur, for instance, is in some way the result of a political elite concerned with the danger

posed by an almost desolate region standing so close to the United States. In other words, if government promotion of tourism has largely been developmentally oriented, it also illustrates the weight that political decisions have in shaping the sequence of the development process.

A central factor of the politics of tourism in Mexico revolves around the role played by well-trained echelons of the bureaucracy and development agencies of the federal government. Manpower and institutional capacity proved to be decisive forces orienting the expansion of Mexican tourism. Government institutions such as the Bank of Mexico and the main national development bank Nafinsa, were privileged organizational spaces where technocrats devised and implemented the most ambitious planned tourist project of the Mexican state in the late 1960s. The highly qualified personnel at these agencies was in a favourable position to implement various development policies (including tourism), given the relative insulation which these institutions enjoyed within the administrative structure of the state. Hence, the promotion of tourism was facilitated because these agencies were more protected, although not completely isolated, “from the particularistic demands that pervaded other parts of the state apparatus” (Heredia, 1994: 271). In spite of the crucial function performed by technocrats at key development institutions of the federal government, other state actors have also played a decisive role in the making of Mexican tourism. In fact, the human agency of politicians is a distinctive feature of the centrality of the state (in particular of its staff) in the politics of tourism in Mexico. As was explained in chapter 6, president Miguel Alemán (1946-1952) not only promoted industry as a way of transforming Mexico into a modern nation, but used tourism as a device to surmount backwardness and underdevelopment.

The primacy of the state in the politics of tourism has also shaped non-material phenomena, such as national identity. Ruling elites used tourism in the 1920s and 1930s as a cultural mechanism through which the construction of *lo mexicano* was aided. Since those years state managers in collaboration with the private sector have been manufacturing, by using promotional campaigns, a notion of the country and its people in which pyramids, colonial cities, beaches, Indian past, folklore, and modern comfort, are depicted as quintessential parts of a totalising visual narrative and tourist experience of the nature of Mexico. Hence, the use of tourism as part of a broader cultural enterprise oriented to give shape to a conception of *lo mexicano*, indicates that this economic activity is enmeshed in broader frameworks of power within which state elites have played a decisive role altering different symbols and values. However, such an amalgam of traditionalism, scenery and material prosperity (airports, highways, and new hotels) has not concealed the profound inequalities permeating Mexican society, that is, development for a few and underdevelopment for large number of rural and urban poor. Nonetheless, given that jobs and foreign exchange are highly needed, the Mexican government continues to lure foreign tourists to visit the country by fabricating representations of the local culture and its landscape. For example, the promotional campaign “Mexico. One country, a thousand worlds”, which currently appears in the travel section of newspapers such as the Guardian, uses the Maya as a subtext inviting travellers to explore an adjacent zone to the U.S. style resort of Cancun. This promotional material, which shows the Mayan ruins of Tulum and the seductive beaches and sea of the Caribbean, seeks to attract the reader with the following: “The Mayas chose this place for a reason. Maybe for its unbelievable beaches. Or its beautiful cliffs. Or because its coastline harbours the second biggest coral reef in the world. Or

maybe for all of it. In any case, Tulum became a small city set on the cliffs looking down onto the sea that still has its old city wall. A wall which, instead of keeping you out, invites you in for an experience never to be forgotten.”

Conclusion

Given the absence of academic studies which connect the Mexican tourist phenomenon to wider frameworks of power, this economic activity has been examined without taking into account the arrangements, coercions and network of interests moulding it over time. With a few exceptions (Clancy 1996, Torres 1997), academic works analysing tourism in Mexico have ignored the shaping function played by such variables as domestic and international politics, and the role performed by institutions, state officials, entrepreneurs, workers and private organizations. Furthermore, scant scholarly research has sought to link facts with analysis in order to explain why and how Mexican tourism has become such an important component of the country's economy, and why and how it has developed in the manner it has.

What I have attempted to do in this thesis has been to offer a *political analysis* of the development of tourism in Mexico by showing that the pattern of development of this industry in the country has been the end result of a mixture of economic, social, cultural and political factors, whose character, forms and relations have changed over time. I have argued that tourism needs to be understood politically, as a field of economic activity and enterprise shaped by various political forces, both public and private. Likewise, analysing the politics of Mexican tourism, and especially the changing role of the state in relation to its development, provides a lens through which aspects of the

country's polity can be seen from a different angle, both confirming other approaches to it and also offering an unusually nuanced insight.

By analysing the march of tourism over a period of 70 years in this way, it is clear that behind the attractive beaches, smiling tourists, and comfortable hotels lay intricate processes which need to be understood politically, as with all other fields of collective (and especially developmental) endeavour. In other words, as this thesis has sought to demonstrate, behind the joyful representation of tourism in Mexico there have been many different interests shaping the course of this industry. It is the task of the social scientist to decipher the logic of a phenomenon which, although it tends to be looked upon with disdain by scholars, in fact expresses and illustrates distinct forms and relations of power. However, there is no doubt that for many people, especially those tourists from the United States, Mexico is that tourist terrain where they can fulfil their expected experience of pleasure, play, adventure or comfort that the sunny, relatively pristine and laidback destination is supposed to provide. As Frank Sinatra, who once had a house in the port of Acapulco, put in words in his *South of the Border (Down Mexico Way)*:

South of the Border – down Mexico way
That's where I fell in love, where the stars above –
Came out to play
And now as I wander – my thoughts ever stray
South of the border – down Mexico way

She was a picture – in old Spanish lace
Just for a tender while, I kissed a smile – upon her
face
'Cause it was fiesta – and we were so gay
South of the Border – Mexico way

Then she smiled as she whispered "mañana"
Never dreaming that we were parting
Then I lied as a whispered "mañana"
'Cause our tomorrow never came

South of the border – I jumped back one day
There in a veil of white, by the candle light – she knelt
to pray
The mission bells told me (ding-dong) – that I musn't
stay
South of the border – Mexico way

Ay! Ay! Ay! Ay! Ay! Ay! Ay! Ay! Ay! Ay! Ay!
Ay! Ay! Ay! Ay!

Maybe so. But as this thesis has shown, there is much more to tourism than the tourists.

Apendix I
Border Tourism, 1986-2003

Year	Border Tourists to Mexico (A+B) Thousands	(A) Border Tourists 24 to 72hrs Thousands	(B) Border Tourists Less than 24 hrs Thousands	Border Tourists to the USA Thousands	Income	Expenditure	Border Tourism Balance
1986	62,153	7,663	54,520		1,192.0	1,493.1	
1987	62,184	8,954	53,230	74,025	1,225.0	1,581.5	-356.5
1988	65,122	8,448	56,674	77,720	1,455.9	2,096.7	-640.8
1989	66,898	8,778	58,120	81,853	1,812.2	2,702.5	-890.3
1990	74,817	10,779	64,038	94,530	2,066.1	3,582.2	-1,516.1
1991	72,573	9,695	62,878	95,852	2,099.0	3,933.9	-1,835.4
1992	76,305	10,794	65,511	109,357	2,133.0	4,028.0	-1,909.1
1993	74,904	9,815	65,089	110,401	2,059.2	3,489.9	-1,430.7
1994	74,239	10,047	64,192	109,050	2,024.0	3,388.0	-1,364.0
1995	75,965	12,457	63,508	99,458	2,019.0	2,147.0	-128.0
1996	79,280	12,423	66,857	99,005	2,173.0	2,067.0	106.0
1997	80,868	9,557	71,311	102,404	2,168.0	2,299.0	-131.0
1998	83,193	9,617	73,576	102,750	2,236.7	2,489.0	-252.3
1999	86,607	8,829	77,778	111,840	1,996.0	2,850.0	-854.0
2000	91,615	10,050	81,565	121,068	2,277.2	3,335.6	-1,058.4
2001	86,762	9,659	77,103	117,314	2,244.0	3,302.4	-1,058.4
2002	85,103	9,784	75,319	112,686	2,491.8	3,630.5	-1,138.7
2003	75,002	8,312	68,690	111,970	2,393.0	3,687.9	-1,294.9

Source: Secretaria de Turismo (1986, 1987-1988, 1989, 1990, 1991) *Estadísticas Básicas de la Actividad Turística* (México). Secretaría de Turismo (2000a, 2002) *Compendio Estadístico del Turismo en México* (México). Secretaría de Turismo (n/d) DataTur <http://datatur.sectur.gob.mx>

Appendix 2

Arrivals of Foreign Visitors to Cancún and México City, 1986-2003

(Thousands)

	Cancún	Mexico City
1975	27.3	827.9
1976	67.0	807.8
1977	116.6	857.5
1978	149.5	973.4
1979	199.8	1,105.8
1980	241.6	1,109.0
1981	276.8	1,019.8
1982	336.4	904.3
1983	510.2	924.7
1984	499.6	960.1
1985	503.0	662.0
1986	641.9	634.5
1987	760.5	812.4
1988	657.5	823.2
1989	857.1	687.9
1991	1,428,633	786,699
1992	1,553,575	656,318
1993	1,488,989	772,667
1994	1,445,164	806,576
1995	1,665,839	1,685,833
1996	1,832,636	1,642,526
1997	2,086,354	1,740,004
1998	2,004,732	1,960,885
1999	2,072,200	1,993,834
2000	2,254,087	2,098,581
2001	2,178,214	2,482,253
2002	1,965,445	2,297,773
2003	2,077,217	2,563,676

Source: Secretaría de Turismo (1990) *Estadísticas Básicas de la Actividad Turística* (México); Secretaría de Turismo (2000a) *Compendio Estadístico del Turismo en México* (México); Secretaría de Turismo (n/d) *DataTur* <http://datatur.sectur.gob.mx> (México).

Appendix 3
Arrivals of Foreign Visitors to Destinations, 1986-2001
(Thousands)

	(A) Integral Tourist Centres Bahías de Huatulco, Cancun, Ixtapa, Loreto, Los cabos	(B) Traditional Beach Resorts	Beach Resorts (A+B)	Great Cities	Inland Tourist Centres
1986	903.0	1,242.7	2,145.7	872.6	766.0
1987	1,088.1	1,648.5	2,736.6	1,040.4	966.1
1988	988.0	1,494.4	2,482.4	1,056.2	983.0
1989	1,202.7	1,412.1	2,614.8	914.5	972.8
1990	1,543,730	1,254,358	2,798,088	1,048,172	1,118,499
1991	1,841,825	1,130,445	2,972,270	1,015,162	1,143,663
1992	1,923,439	1,144,467	3,067,906	863,536	1,078,399
1993	1,867,991	1,180,296	3,048,287	1,006,659	1,118,786
1994	1,915,638	1,213,779	3,129,417	1,073,256	956,418
1995	2,239,086	1,282,053	3,521,139	1,963,413	1,233,654
1996	2,549,466	1,431,724	3,981,190	1,960,811	1,549,432
1997	2,937,958	1,473,078	4,411,036	2,078,625	1,665,620
1999	2,733,215	1,688,971	5,175,010	2,418,754	1,450,846
2000	2,946,238	1,884,301	5,622,676	2,578,260	1,256,982
2001	2,592,366	1,580,376	4,953,190	2,940,194	1,176,379

Source: Secretaría de Turismo (1996) *Estadísticas Básicas de la Actividad Turística* (México); Secretaría de Turismo (2000a, 2002) *Compendio Estadístico del Turismo en México* (México).

Appendix 4

The twenty largest hotel groups 1992

Group	Rooms	Hotels
Hospitality Franchise Systems	354,997	3,413
Holiday Inn Worldwide	328,679	1,692
Best Western International	273,804	3,351
Accor Group	238,990	2,098
Choice Hotels International	230,430	2,502
Marriot Corporation	166,919	750
ITT Sheraton Corp.	132,361	426
Hilton Hotel Corp.	94,653	242
Forte	76,330	871
Hyatt Hotels/Hyatt International	77,579	164
Carlson/Radisson/Colony	76,069	336
Promus Cos	75,558	459
Club Méditerranée SA	63,067	261
Hilton International	52,979	160
Sol Group	40,163	156
Inter-Continental Hotels	39,000	104
Westin Hotels & Resorts	38,029	75
New World/Ramada International	36,520	133
Canadian Pacific Hotels	27,970	86
Société du Louvre	27,427	398

Source: Vellas & Bécherel, 1995: 104

Appendix 5

Tourism's financing of the merchandise current account, 1939-2001

(Million, US Dollars)

Year	Tourism Income* (A)	Tourism Expenditure* (B)	Balance (A-B)	Merchandise Current Account (C)	% A-B / C
1939	48.7	44.0	4.7	-26.6	17.6
1940	50.3	45.1	5.2	-38.0	13.6
1941	62.8	36.8	26.0	-82.7	31.4
1942	59.2	37.4	21.8	-27.7	78.7
1943	73.0	43.3	29.7	17.5	169
1944	86.0	53.3	32.7	-78.8	41.4
1945	110.7	76.9	33.8	-100.9	33.4
1946	151.6	64.1	87.5	-282.1	31.0
1947	147.3	62.9	84.4	-296.4	28.4
1948	194.6	90.6	104.0	-172.6	60.2
1949	186.4	54.1	132.3	-107.9	122.6
1950	232.7	82.8	149.9	-103.3	145.1
1951	259.2	96.5	162.7	-297.2	54.7
1952	277.9	110.3	167.6	-203.5	82.3
1953	310.6	141.9	168.7	-248.4	67.9
1954	332.4	174.6	157.8	-172.8	91.3
1955	379.8	164.8	215.0	-122.8	175.0
1956	411.5	190.6	220.9	-264.4	83.5
1957	442.1	212.5	229.6	-449.1	51.1
1958	449.8	211.3	238.5	-419.5	56.8
1959	499.1	248.0	251.1	-283.6	88.5
1960	505.4	251.6	253.8	-447.7	56.6
1961	534.7	278.2	256.5	-335.1	76.5
1962	567.8	284.9	282.9	-243.6	116.1
1963	635.5	316.0	319.5	-303.7	105.2
1964	678.0	345.7	332.3	-470.5	70.6
1965	744.5	379.2	365.3	-445.8	81.9
1966	814.4	442.2	372.2	-442.4	84.1
1967	891.7	471.9	419.8	-644.5	65.1
1968	1,080.8	587.2	493.6	-779.4	63.3
1969	1,133.8	671.5	462.3	-693.1	66.7

Year	Tourism Income (A)	Tourism Expenditure (B)	Balance (A-B)	Merchandise Current Account	% A-B'C
1970	1,465.1	1,019.6	445.5	-1,087.9	40.9
1971	1,637.1	1,068.9	568.2	-890.6	63.7
1972	1,875.3	1,198.7	676.6	1,052.6	64.2
1973	2,250.5	1,406.7	843.8	-1,743.0	48.4
1974	2,491.8	1,644.2	847.6	3,206.7	26.4
1975	2,724.8	2,034.6	690.2	-3,721.6	18.5
1976	3,102.1	2,270.0	832.1	-2,713.8	30.6
1977	2,942.4	1,757.0	1,185.4	-1,471.4	80.5
1978	3,484.7	2,150.8	1,333.9	-1,854.4	71.9
1979	4,362.5	2,929.2	1,433.3	-3,162.0	45.3
1980	5,393.3	4,173.1	1,220.2	-3,178.7	38.3
1981	6,529.7	6,155.4	374.3	6,584.5	5.6
1982	2,642.9	2,208.3	434.6	6,792.7	6.3
1983	2,728.9	1,583.0	1,145.9	13,761.1	8.3
1984	3,281.7	2,168.6	1,113.1	12,941.7	8.6
1985	2,900.3	2,258.7	641.6	8,451.6	7.5
1986	2,983.6	2,113.1	870.5	4,598.6	18.9
1987	3,499.4	2,365.7	1,133.7	8,433.3	13.4
1988	4,000.2	3,201.5	798.7	1,666.9	47.9
1989	3,387.0	1,749.8	1,637.2	-644.8	253.9
1990	3,933.8	2,171.5	1,762.3	-3,026.0	58.2
1991	4,339.3	2,149.8	2,189.5	-11,064.0	19.7
1992	4,471.1	2,541.7	1,929.5	-15,933.0	12.1
1993	4,564.1	2,416.6	2,147.5	-13,480.0	15.9
1994	4,854.0	2,445.0	2,409.0	-18,464.0	13.0
1995	4,689.5	1,240.4	3,449.1	7,088.4	48.6
1996	5,110.2	1,536.4	3,573.8	6,530.9	54.7
1997	5,531.0	1,821.2	3,709.8	623.6	595.4
1998	5,633.3	2,001.9	3,631.4	-7,742.2	46.9
1999	5,505.7	1,950.4	3,555.3	-5,360.4	66.3
2000	6,435.8	2,445.1	3,990.8	-8,003.0	49.8
2001	6,538.4	2,767.5	3,770.9	9,953.6	37.8

* Including border transactions

I/ Figures from 1982 onwards are not comparable with previous years due to changes in methodology.

Source: Secretaría de Turismo (1990) *Estadísticas Básicas de la Actividad Turística* (México); Secretaría de Turismo (2004) *Compendio Estadístico del Turismo en México* (México); Banco de México (1946-1990); *Informe Anual* (México) Banco de México (n/d) www.banxico.org.mx/gPublicaciones/FSPublicaciones.html; Nacional Financiera (1978) *La Economía Mexicana en Cifras* (México).

Appendix 6

Nacional Financiera's loans and investments in industrial enterprises, 1945, 1947, and 1952

Industry	In Million of Pesos			In Percentages of Total		
	1945	1947	1952	1945	1947	1952
Total	297.2	501.3	1,559.4	100	100	100
Food	3.4	5.9	39.2	1.1	1.2	2.5
Sugar	18.4	90.8	118.0	6.2	18.1	7.6
Beer and Wine		14.4	33.0		2.9	2.1
Textiles and Products	15.9	32.0	41.9	5.3	6.4	2.7
Forest Products	1.8	1.3		0.6	0.3	
Furniture		1.2	0.9		0.2	0.1
Paper and Products	11.0	33.1	32.9	3.7	6.6	2.5
Chemicals		4.6	27.6		0.9	1.8
Fertilizers	10.0	10.5	50.6	3.4	2.1	3.2
Petroleum	62.9	29.1	21.6	21.2	5.8	1.4
Coal	4.7	0.6	25.7	1.6	0.1	1.6
Glass	0.3	2.1	0.1	0.1	0.4	
Cement	9.8	13.2	24.5	3.4	2.6	1.6
Construction and Materials	26.9	15.0	58.7	9.1	3.0	3.8
Iron and Steel	71.2	79.8	143.6	24.0	15.9	9.2
Cooper and Tin	2.5	5.5	8.0	0.8	1.1	0.5
Metal Products	3.9	4.7	12.2	1.3	0.9	0.8
Electrical Equipment	23.0	3.8	17.0	7.7	0.8	1.1
Electricity	4.7	26.5	295.3	1.5	5.3	18.9
Transportation and Communication	16.8	111.2	548.1	5.5	22.2	35.1
Mining	0.7	3.0	21.0	0.2	0.6	1.3
Hotels		4.3	7.3		0.9	0.5
Motion Pictures	8.3	6.9	4.2	2.8	1.3	0.3
Others	1.0	1.8	21.7	0.4	0.4	1.4

Source: Blair, 1964: 214

Appendix 7
 Government Expenditure (Ministries) 1959-1979
 (Million of Pesos)

Year	Agriculture and Farming	Industry and Commerce	Communications and Transport	Tourism	Total	% Tourism
1959	267.0	-	610.0	22.0	14,777.0	.14
1960	254.0	-	741.0	27.0	20,778.0	.12
1961	246.0	106.0	771.0	34.0	20,946.0	.16
1962	266.0	106.0	1,002.0	48.0	21,421.0	.22
1963	284.0	127.0	985.0	69.0	21,371.0	.32
1964	314.0	156.0	996.0	80.0	29,660.0	.26
1965	336.0	123.0	982.0	81.0	37,693.0	.12
1966	360.0	146.0	1,046.0	89.0	34,494.0	.25
1967	372.0	133.0	1,175.0	85.0	42,089.0	.20
1968	411.0	144.0	1,468.0	91.0	41,124.0	.22
1969	453.0	151.0	1,367.0	91.0	49,816.0	.18
1970	583.0	219.0	1,641.0	91.0	52,679.0	.17
1971	625.0	188.0	1,785.0	93.0	55,815.0	.16
1972	1,061.0	317.0	2,044.0	116.0	77,268.0	.15
1973	1,534.0	426.0	2,186.0	146.0	102,241.0	.14
1974	1,911.0	571.0	2,678.0	172.0	135,795.0	.12
1975	3,075.0	764.0	4,007.0	224.0	200,416.0	.11
1976	4,159.0	1,090.0	5,559.0	275.0	274,963.0	.10
1977	19,997.0	-	8,353.0	687.0	730,593.0	.09
1978	27,110.0	-	10,176.0	1,017.0	937,834.0	.10
1979	45,264.0	-	15,240.0	1,187.0	1,124,268.0	.10

Source: Nacional Financiera (1978, 1981) *La Economía Mexicana en Cifras* (México).

Appendix 8
Public Investment (Sectors) 1960-1979
(Million of Pesos)

Year	Agricultural Development	Industrial Development (oil, electricity, steel)	Communications (rail, roads, air services)	Tourism	Total	% Tourism
1939	39.0	27.0	144.0	-	233.0	-
1940	45.0	60.0	152.0	-	290.0	-
1945	146.0	132.0	460.0	-	848.0	-
1950	516.0	796.0	1,079.0	-	2,672.0	-
1955	607.0	1,746.0	1,414.0	-	4,408.0	-
1960	675.0	3,133.0	2,491.0	-	8,376.0	-
1965	1,124.0	5,779.0	3,409.0	-	13,049.0	-
1970	3,921.0	11,097.0	5,525.0	-	29,205.0	-
1971	3,264.0	9,328.0	4,589.0	56.0	22,398.0	.25
1972	4,948.0	11,481.0	7,877.0	140.0	33,298.0	.42
1973	7,044.0	16,222.0	12,651.0	221.0	49,838.0	.44
1974	10,969.0	23,346.0	15,541.0	394.0	64,818.0	.60
1975	17,322.0	39,754.0	19,827.0	1,030.0	95,767.0	1.0
1976	15,095.0	49,955.0	20,826.0	1,372.0	108,611.0	1.2
1977	25,774.0	63,293.0	26,570.0	942.0	140,102.0	.67
1978	41,002.0	104,454.0	31,556.0	797.0	217,382.0	.36
1979	48,434.0	145,305.0	35,299.0	1,672.0	300,294.0	.55

Source: Nacional Financiera (1981) *La Economía Mexicana en Cifras* (México).

Appendix 9
Tourist Financing by FONATUR (1974-2004)

Year	Loans (Thousand of Pesos)	New Rooms	Refurbished Rooms	Direct Posts (Persons)
1974	1,119.9	8,274	1,605	6,661
1975	967.8	5,026	807	3,329
1976	1,119.1	5,242	252	3,935
1977	1,309.4	2,183	1,218	1,773
1978	3,085.1	8,347	1,179	6,235
1979	3,382.2	9,753	1,336	6,826
1980	6,683.9	13,506	1,521	10,035
1981	11,197.7	15,244	2,092	12,320
1982	8,351.8	4,745	2,001	3,845
1983	6,703.9	868	356	929
1984	30,595.9	5,275	3,197	4,958
1985	46,209.8	5,002	4,688	5,572
1986	86,841.9	5,545	3,969	3,745
1987	181,034.0	5,058	1,864	4,067
1988	59,664.1	403	202	283
1989	598,503.1	6,794	2,592	5,191
1990	217,220.8	3,479	1,156	3,947
1991	477,560.4	4,665	1,823	4,563
1992	350,484.2	2,529	1,260	2,427
1993	235,034.0	1,706	802	1,585
1994	265,636.5	684	369	858
1995	254,343.9	657	405	649
1996	353,450.8	708	492	841
1997	613,962.2	390	0	439
1998	811,654.2	1,038	476	1,605
1999	104,000.0	168	0	175
2000	245,000.0	0	0	0
2001	0.0	0	0	0
2002	0.0	0	0	0
2003	0.0	0	0	0
2004	0.0	0	0	0

Source: Secretaría de Turismo (2004) *Compendio Estadístico del Turismo en México* (México).

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Reforma (11-04-2003) Piden Ocultar Playas Sucias. La secretaria de turismo, Leticia Navarro, defendió la publicación de estas evaluaciones y dijo que conviene al sector porque los turistas se pueden dar cuenta que la mayoría de las playas mexicanas están limpias.

<http://www.reforma.com/nacional/articulo/285503>

Reforma (13-04-2003) Nada Gobernador en Playa Contaminada. Toman valor René Juárez y sus funcionarios y se arrojan a nadar en una playa sucia, boletinada por la SEMARNAT.

<http://www.reforma.com/nacional/articulo/286016>

Reforma (14-04-2003) Desafían Contaminación en Caletilla. El presidente municipal venía a demostrar –como un día antes lo hiciera el gobernador- que no había temor alguno por meterse en esta agua que el gobierno federal señala como las más contaminadas de la ciudad.

<http://www.reforma.com/nacional/articulo/286199>

Reforma (20-05-01) Sugiere IP a Gobierno Areas de Recorte

<http://www.reforma.com/nacional/articulo/096441>

Reforma (12-05-2003) Pierde País Obras por Protestas Sociales

<http://www.reforma.com/economíayfinanzas/articulo/293386>

Reforma (16-04-2003) Proponen bendecir playas de Acapulco. El arzobispo se negó a darse un chapuzón en las playas de Caletilla y Tlacopanocha, marcadas con bandera roja.

<http://www.reforma.com/nacional/articulo/286720>

Reforma (29-08-2003) Retiran alerta para atraer turismo. Evitan en Acapulco colocación de banderas rojas de Semarnat.

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Interviews

Antonio Enríquez Savignac

Director of INFRATUR (1969-1974)

Director of FONATUR (1974-1976)

Undersecretary of Tourism (1976-1977)

Secretary of Tourism (1982-1988)

Pedro Joaquín Coldwell

Governor of the State of Quintana Roo (1981-1987)

Director of FONATUR (1988-1990)

Secretary of Tourism (1990-1993)

John McCarthy

Director of FONATUR

Sigfrido Paz Paredes

Undersecretary of Tourism (1994-1996)

Félix Romano

Vicepresident of the Mexican Hotel Association (AMHRM) (1997-2000)

José Santamaría C.

General Secretary of Federation of Workers of the State of Quintana Roo (CTM)