

POVERTY AND SOCIAL EXCLUSION IN THE CONTEXT OF THE PUEBLA- PANAMA PLAN

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RESUMEN

Los procesos de integración son una realidad en el contexto neoliberal, y el Plan Puebla-Panamá (PPP) está aún por demostrar su valor como un mecanismo para resolver la desigualdad social, donde el Tratado de Libre Comercio de América del Norte (TLCAN) y el Tratado de Libre Comercio entre República Dominicana, Centroamérica y Estados Unidos de América (CAFTA) han fracasado. En estos esquemas de integración, ni la mejora de las condiciones de vida de la población en la región, ni la unificación de los países centroamericanos con el sur de México fueron un punto de partida. La incorporación de las comunidades, pueblos y organizaciones de la sociedad civil en el diseño de los procesos de integración los convertirá en proyectos sostenibles y evitará la desintegración de las comunidades, las culturas y la pérdida de la biodiversidad.

Palabras clave: TLCAN, Plan Puebla-Panamá, CAFTA, pobreza.

ABSTRACT

Integration processes are a fact within the neoliberal context, and the Puebla-Panama Plan (PPP) is yet to prove its worth as a mechanism to solve social inequality, where the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement (CAFTA) have failed. In those integration schemes, neither improving living conditions of the population in the region nor unifying Central American countries with the south of Mexico was a starting point. The incorporation of communities, peoples and civil society organizations in the design of integration processes will turn them into sustainable projects and will prevent the disintegration of communities, cultures and the loss of biodiversity.

Key words: NAFTA, Puebla-Panamá Plan, CAFTA, poverty.

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RESUMO

Os processos de integração são uma realidade no contexto neoliberal, e do Plano Puebla-Panamá (PPP) ainda tem que provar o seu valor como um mecanismo para enfrentar a desigualdade social, onde o North American Free Trade Agreement (NAFTA) e o Central American Free Trade Agreement (CAFTA) falharam. Estes esquemas de integração e melhoria das condições de vida das pessoas na região, ou a unificação da América Central para o sul do México foram um ponto de partida. A incorporação das comunidades, povos e organizações da sociedade civil na concepção dos processos de integração tornam-se projetos sustentáveis e evitar a desintegração das comunidades, culturas e perda da biodiversidade.

Palavras chave: NAFTA, Plano Puebla-Panamá, CAFTA, poverty.

JEL: F56, F54, F15, O15

INTRODUCTION

Integration processes are a fact within the neoliberal context and keeping that in consideration, the objectives of the Puebla-Panama Plan (PPP) are not finding a balance among the disparities generated in Mexico as a result of NAFTA.

PPP is on the eve of the Free Trade Area of the Americas and the Central American Free Trade Agreement (CAFTA), where neither improving living conditions of the population in the region nor unifying Central American countries with the south of Mexico is a starting point.

Therefore, Mexico has been divided into two processes; integration of the northern border with the United States and, at the same time, disarticulation the southern border. The northern border is the most benefited of the two borders in terms of development in infrastructure, communication, financial and industrial services. Nevertheless, despite attempts to make the Mexican northern border a zone of full integration, only economic and military control has resulted from the process.

Discourse should become a reality where the population could benefit from investment flows by encouraging an increase in employment that could stop migration and solve the lack of basic income and increase in poverty and social exclusion.

When signing commercial agreements, social issues are not fully present but military control has emerged as a solution to counteract the multiple armed groups and social discontent and resistance of the population.

To set start the PPP, the Inter-American Development Bank (IADB) granted Mexico 2.5 million dollars for infrastructure development, as well as for new and modern mega projects.

According to Carlos Fazio (2002) “the Plan is part of a program that combines political, economic and military interventionism, yet is presented as a plan of pacification, development and employment. It is part of a continental geostrategic project with participation of great sectors of the financial capital, multinational consortiums and oligarchies in Mexico and Central America”.

In this new scenario, resistance processes of social movements which fight for protecting natural resources in the area is noticed, mainly fighting for the land and protection of traditional crops against the interest of multinational organizations which pretend to benefit from comparative advantage existing in the area.

Simultaneously, transnational capital seeks to take over gas, oil, energy and water resources in vast areas of natural and human resources through new and sophisticated forms of military control by the

American and regional governments. Such situation affects negatively the vast sector of the population living in poverty and social exclusion, as well as other existing social movements. (Fazio, 2007, p. 23)

While the flow of migrant workers will continue to rise due to the break of the main strategic productive branches of the country, development in the country will be affected resulting in abandoning agricultural activities in the country's now eroded fields.

Countries which are part of the PPP, Panama, Costa Rica, Honduras, Nicaragua, El Salvador, Guatemala, Belize, and the Mexican states of Campeche, Yucatán, Quintana Roo, Tabasco, Chiapas, Oaxaca, Guerrero, Puebla and Veracruz, represent 102 million hectares of land, with a total population of 151 million as of 1998. It is estimated that in 2025, population will increase to 228 million. Half of the population lives in and feeds from the land; 40% works in agriculture and 18% of the population are indigenous people who fight for a small fraction of the land.

Indigenous population is formed by more than 46 different ethnic groups in 7 Central American countries, and 56 ethnic groups in Mexico, yet the great majority of the indigenous population resides in Guatemala.

What is relevant about this situation is that more than 60% of the inhabitants, who live in poverty, live in lands of great ecological wealth; species in the region range from 1,797 mammals, 4,153 birds, 1,882 reptiles, 9,994 amphibians, 1,132 fishes, 75,871 plant species, and innumerable microorganisms which form part of the ecological wealth of the region.

Loss of forestry increases at an accelerated pace, as well as loss of fresh water, a resource which has become strategic for countries. Mexico is the most affected as the country is losing the majority of hectares (631 thousand hectares per year) to illegal logging mainly by transnational companies and to production of firewood for fuel and coal.

In Central America, forestry loss is reaching the 341 thousand hectares every year, where Guatemala,

Panama, Nicaragua and Honduras are the most affected countries. The line of poverty indicates that three out of five inhabitants of the region live in poor conditions, where rural areas are the most vulnerable.

According to PPP countries, the situation worsens in Guatemala, Honduras, Nicaragua and El Salvador.

The Human Development Index (HDI) is the measure of life expectancy, literacy, education, standard of living and GDP per capita. It is important to mention that there are differences in ranking and level in global HDI goalposts. (Arreola Muñoz, 2006)

Given the wealth and potential of the region, first class development is viable, especially when development strategies and programs are accounted to achieve structural change in the region (Furlong & Netzahualcoyotzi, 2004) which represents 7% of registered global biological wealth in only 0,5% of the total area of the planet.

Drug dealing has also been considered as a result of migration. Migration from the country to urban areas is also causing truly dramatic issues being the most notable the imports of basic grains.

By the end of the century, Mexico depended on the United States supply for 60% of rice, 30% of wheat, 43% of **sorghum**, 23% of maize and was completely dependant on soy supply. This situation not only generates a great food dependency, but also leaves thousands of hectares abandoned due to low **profitability** and left to erode because of the thousands of families who are migrating and leaving the land behind.

Our Northern and southern borders are becoming more and more defined; being so close to the United States has benefited Mexico in terms of development in infrastructure, communication, financial and industrial services. Nevertheless, despite attempts to make the Mexican northern border a zone of full integration, only economic and military control has resulted. Such control strengthened by the events of 9/11 and the immigration flow of may 1st 2006.

Table 1
Demographic, Economic and Human Development Indications in Mexican States.

		Puebla	Guerrero	Veracruz	Oaxaca	Tabasco	Campeche	Quintana Roo	Yucatan	Chiapas
Total population millions (2005)		5.38	3.12	7.11	3.51	1.99	0.75	1.14	1.82	4.29
Annual population growth rate as a percentage		1	0.2	0.5	0.4	0.9	1.6	4.7	1.6	1.6
GDP, billions		21.9	10.4	25.7	9.4	7.7	7.6	10.1	8.7	10.5
GDP, current prices (2006)	GDP, national currencies, millions	nd	nd	nd	nd	nd	nd	nd	nd	nd
	Quarter	nd	nd	nd	nd	nd	nd	nd	nd	nd
GDP annual variation, percentage		0.46	2.82	5.03	3	3.77	2.25	9.04	5.98	4.89
GDP Per capita PPP		nd	nd	nd	nd	nd	nd	nd	nd	nd
GPP, Per capita current prices 2004		4.1	3.3	3.6	2.7	3.9	10.1	8.9	4.8	2.4
GDP, Per capita annual variation (2005)		0.46	2.82	5.03	3	3.77	2.25	9.04	5.98	4.89
Per capita income (2004)		104.31	114.22	101.36	100.54	227.29	183.7	217.99	116.88	119.95
Urban performance rate 2005	Annual average rates	2.99	1.05	3.22	1.475	3.175	1.925	2.025	1.99	2.89
	Year	2004	2004	2004	2004	2004	2004	2004	2004	2004
Annual inflation (%) 2005		4.64	3.265	3.75	3.46	3.45	3.85	4.05	3.77	4.03
Foreing Direct investrent inflows (% PIB) 2003		1.7	0.2	0.1	0	2	0.6	0.7	0.2	0.1
Human development index HDI		25	30	28	31	21	9	6	19	32

Source: INEGI, 2005

In spite of such events, the Puebla-Panama Plan continues its development; the Inter-American Development Bank (IADB) is carrying out 8 initiatives in San Salvador in May 2001. Participants of such initiatives contribute to an investment of 9 thousand million dollars granted partly by IADB and partly by Mexico as it is the country which is promoting the initiative.

Among the north American corporations participating in PPP are AES Corp., Costal del Paso, Constellation, Duke Energy, PP&L, and Ormant; the Spanish corporations Endesa, Iberdrola and Union Fenosa; the Canadian Hydro Québec and among the recipients the multimillionaire and promoter and developer of Chapultepect agreement, Carlos Slim, who will be able to monopolize optic

fiber market for telecommunications from the southeast Mexican region to Panama. Moreover, relevant data reveals that Swecomex, property of Slim, has reported interest in taking part of international associations to create oil infrastructure in the Persian Gulf and finance refinery in Central America and, in addition, take part in the construction of highways in the area.

Creators of PPP hold consolidation of the regional energy market (MER) as a priority, by opening the regional energy market to foreign direct investment. When work is concluded, the Central American electrical interconnection system (SIEPAC) will link electrical systems from Panama to Mexico and from Mexico to the United States. (Areola Muñoz, 2006, p. 45)

The textile industry megaproject convened for this zone appears unsuccessful as in 2002 only more than 200 textile enterprises closed to take their business to China due to cheaper labor costs and losing more than 250 thousand jobs were lost.

Experience shows that development in the textile industry has brought greater poverty and social exclusion due to lack of employment as well as the increasingly high pollution indexes which not only attack the environment but also the lives of people in all the region.

The Puebla-Panama Plan has been modified since its presentation as a regional development program at the beginning of this century, and in the present time is called the Mesoamerican Integration and Development Plan.

Such initiative proposed by the government in infrastructure involves the south eastern states, due to their symmetry, as well as countries of the Central American isthmus, adding Colombia subsequently.

The reason why the initiative of the Puebla-Panama Plan became a reality in the first place resides in the interdependency of the Mexican economy and its asymmetrical relationship with American and Canadian industries through the NAFTA agreement which has deepened the economic and social gaps between the center of the country and its borders for several years until the present time.

Such links are the initial parts of a continental integration project, in a geoeconomic perspective, through the Free Trade Area of the Americas (FTAA). Such process remains unconcluded since the Miami declaration of 2005 where the Mesoamerican subregion would link industrial north region to South America, a region in a transitional stage.

During the first years of work, NAFTA created false expectations of integration and growth of manufacturing exports, it was considered as a starting developing point, which would provide a greater flow of foreign investment and employment, given a balance of macroeconomic variables in the case of Mexico.

In Central America, the United States bilateral policy oriented the same dynamics to the implementation of CAFTA, in spite of differences in size, character and dependency to agricultural products of the much smaller economies, some without a solid local market and others based solely on remittances; income sent by foreign workers to home countries from the United States.

Several Central American countries feared CAFTA due to its openness in the agricultural sector, area which up to that point held certain comparative advantage (coffee, meat products, grains, etc). Such situation was not accepted by the productive sectors and groups of workers. Only Costa Rica opposed this agreement initially, but a referendum was done where voting concluded in adhering to the agreement.

Observing Mexican economy during the first six years of NAFTA and after the economic crisis of 1995, it is clear how industrial productive sectors operated without orientation in the internal market and only support was found in enterprises, mainly from the textile industry linked to the American market.

The Mexican economy began to lose dynamism towards the end of the previous century as growth rates did not increase. Lack of strategic planning kept state income based on oil exports.

Taking into account that such changes took place after 9/11 events, the Mexican government in 2000-2006 chose to resort to traditional exploitation and commercialization of the greatest of state resources: oil.

Table 2
Demographic, Economic and Human Development Indications in PPP countries

		Belice	Colombia	Costa Rica	El Salvador	Guatemala	Honduras	Mexico	Nicaragua	Panama
Total population millions (2005))		0.29	46	4.3	6.9	12.7	7.2	103.3	5.5	3.2
Annual population growth rate as a percentage		1.8	1.3	1.4	1.5	2.3	2	1.1	1.9	1.6
GDP, billions		1.1	112.3	19.6	16.5	27.4	8	758.1	5	14.5
GDP, current prices (2006)	GDP, national currencies, millions	nd	74,711.50	2,722,398.20	4,462.00	nd	nd	9,474.90	nd	nd
	Quarter	nd	Primer	Primer	Primer	nd	nd	Segundo	nd	nd
GDP annual variation, percentage		2	4.3	4.2	2.5	3.2	4.2	3	4	6
GDP Per capita PPP		nd	7,309.40	10,316.30	4,525.10	4,135.50	2,793.10	10,090.40	2,778.90	7,052.10
GDP, Per capita current prices 2004		3918	2136.4	4371.7	2341.5	2204.9	1050.8	6,521.90	836.5	4478
GDP, Per capita annual variation (2005)		1.1	2.6	2.3	0.7	0.7	1.7	1.6	1.9	4.2
Per cápita income (2004)		3,940.00	2,020.00	4,470	2,320.00	2,190.00	1,040.00	6,790.00	830	4,210.00
Urban performance rate 2005	Annual average rates	11	13.9	6.9	7.2	3.1	6.8	4.8	9.3	12
	Year	2005	2005	2005	2005	2004	2005	2005	2004	2005
Annual inflation (%) 2005		4	5.2	12.6	4	7.6	8.1	4.3	9	2.6
Foreign Direct investment inflows (% PIB) 2003		4	2.2	3.3	0.6	0.5	2.8	1.7	4.9	6.1
Human development index HDI		95	70	48	101	118	117	53	112	58

By doing so, the government held oil resources to International regulations which allowed maintaining a low growth profile and controlled inflation during the war against Iraq. However, political failure was evident in regions where unemployment and income indexes continued dropping generating greater conditions of social exclusion and poverty.

This is the reason why there is still resistance in the South of Mexico the strengthening of social movements, particularly those of indigenous people, who have questioned the dimension of trilateral and regional agreements as well as ecocide in the Chimalapas and Lacandona rainforests; rich natural regions which are not only important to the country, but to the preservation of global biodiversity.

During the implementation years of these programs, gaps in income among regions became more and more evident, separating the center from the north of the country; income ranged USD 4,199 GDP per capita in the north, to USD 2,336 GDP per capita in the South-east region. Such gap evidenced profound inequity and lag of the industrial sectors which did not count on the necessary technology during the negotiation stage of the agreements in order to be more competitive.

During the last years, family and social fractures have been generated along with the expulsion of communities, some due to natural disasters, which have now formed new migratory routes in the southern states of Veracruz, Puebla, Oaxaca, Chi-

apas, and Guerrero. Such traditional phenomenon was localized before in the north and center of the country in the states of Michoacan, Guadalajara, San Luis Potosi and Guanajuato. Balancing the last two presidential periods, they have recorded the greatest migration process in such a short period of time; more than 11 million young adults, women, children and elders (UCLA, 2007).

Development and growth expectations were only observed in textile industry zones created in the north border where the majority of international investors had moved during the first years of NAFTA, mainly by the end of the last presidential period, but lost all comparative advantage accomplished in Zedillo's presidential period. Such events modified the development model and allowed the transfer of the textile industry to the People's Republic of China. (Netzahualcoyotzi & Furlong, 2006)

The situation in the Central American economies is far from being substantially different from that of the south east of Mexico; the average income of the countries in the region (USD 1,413 per capita) represents half of the income of the poorest state in our country.

This panorama is, to the south east region of Mexico and to the Central American countries (mainly Guatemala, Honduras, El Salvador and Nicaragua), an incentive for agricultural workers and unemployed who search for higher wages in the United States no matter the cost and suffering that come with abandoning families and crossing borders; it is indeed an alternative to poverty and social exclusion.

The Puebla-Panama Plan; A development strategy?

The South-east region of Mexico and the countries of the Central American Isthmus took part in an inter-governmental meeting where state representatives and the President in office of each country, as well as head of government of each Central American country presented a Sustainable Development

strategy through the Puebla Panama Plan initiative; a subregional development program which aims to overcome development and growth gaps between the northern and southern states through public policy.

These initiatives are focused mainly to the construction of infrastructure services, but could alter the balance between population, public policy and the environment of the Mesoamerican region.

For some analysts such as Villafuerte (2004), the object of this policy is "a planning exercise intended to end the structural problems of southern Mexico and Central America. It is primarily a business plan clad as a political initiative".

The Background of this initiative is the establishment in the nineties of the Tuxtla Dialogue and Agreement Mechanism. The tradition of Mexico as a neutral facilitator of the peace processes in Central America (Tratado de Esquipulas II en 1987) allowed the Mexican federal government to use these forums for intergovernmental liaison to try to incorporate the new vision on development and modernization (Plan Nacional de Desarrollo, 2001b) decided to push in the states comprising the region from south of Mexico.

For the results of the talks in March 2001 and with a proposal for regional planning, the links with Central American countries are resized with the so-called plan Puebla Panama in the first stage. The second initiative includes Colombia within the energy scheme for the establishment of a gas pipeline and the name of this program ended up being "Plan Puebla Putumayo". (Furlong & Netzahualcoyotzi, 2004)

In this context the initiative of Mexico and Central America on March 12, 2001 was guided with Sustainable Development as the proposal axis at the leaders summit meeting for the implementation of what was called the great transformations of a large region and which was emphasized as an urgent task to overcome the large gaps between

the participating states of Mexico and the small economies of the southern border.

The initiative incorporated the states of Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz and Yucatan; In sum representing one third of the total population,

ie 28 million a portion of the population is still in rural areas (Chiapas, Guerrero), with the unique feature of having a large indigenous population component, in most cases between one quarter or one third of the total population according to Table 3:

Table 3
Demographic aspects of Mexico

Country	Total population Thousands	Population growth rates (%)	Urban population (%)	Indigenous population 1994 estimates% /1	Death rate annual average 1995-2000
Campeche	690	1.7	71.0	13.3	4.2
Chiapas	3,921	2.1	45.6	23.2	4.7
Guerrero	3,075	1.2	55.4	11.9	5.1
Oaxaca	3,432	1.4	44.7	32.8	5.7
Puebla	5,070	2.2	68.4	11.6	5.0
Quintana Roo	874	5.2	82.5	20.0	3.0
Tabasco	1,889	1.8	53.9	4.1	3.8
Veracruz	6,901	0.6	59.1	8.9	5.0
Yucatán	1, 656	1.5	81.3	33.7	5.2

Source: INEGI. Compendio de Información de la Región Puebla Panamá, México, 2001.

With respect to Central American countries in Table 4, their distribution in alphabetical order is as follows: Belize, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua and Panama

with a population of 36 million people located on average almost equally in rural settlements and urban areas, with greater presence of indigenous population, particularly Guatemala (48.0%).

Table 4
Demographic aspects of the Puebla-Panamá Region

State	Total population Thousands	Population growth rates (%)	Urban population (%)	Indigenous population 1994 estimates% /1	Death rate annual average 1995-2000
Belize	241	2.4	48.3	13.7	4.2
Costa Rica	4.023	2.5	50.4	0.8	3.9
Guatemala	11.385	2.6	39.4	48.0	7.4
El Salvador	6.276	2.0	55.0	1.7	6.1
Honduras	6.485	2.7	48.2	11.9	5.4
México (sureste)	27.508	1.6	58.7	16.42	4.9
Nicaragua	5.074	2.7	55.0	7.6	5.8
Panamá	2.856	1.6	57.6	7.8	5.1
Total Región	63.848	2.1	53.0	13.48	5.5.

Source: INEGI. Compendio de información de la Región Puebla- Panamá, México, 2001.

In addition the PPP region comprises a geographical extent of a million square kilometers with clear regional differences, and in terms of biodiversity there are vast jungles, forests, freshwater and diverse resources.

Because of this great cultural and ecological diversity, the design of the PPP occurs from a developmental interpretation of dualism, which contrast two basic elements of the region. On the one hand the existence of abundant natural resources and on the other the dislocation of scattered rural regions and small towns particularly in the case of the south.

It is evident in the assessment of its economic weaknesses that objectives to bridge the gaps and achieve economic development were not considered in this project, despite including important international trade agreements.

As noted in the previous section, the average for the southern and southeastern states in per capita income are similar to those of underdeveloped countries, the order of \$ 2.336 and Central America in the range of \$1.413 on average earnings, a consequence from state oblivion.

This is explained in the Mexican case where rural production generates only 4 percent of national

output, with an area of agricultural land of 27.3 million hectares (1.2 per capita) with clear differences with the United States (30.6 per capita) and Canada (72.9 per capita).

Regarding the explanation of why this situation is opposite in the northern and central region regarding economic growth and development vis-à-vis Southeast and Central America, it is usually focused on differences in income, with the existence of “another” Mexico with twice per capita income (\$ 4.199) located in the major urban centers (DF. State of Mexico, Guadalajara, Monterrey).

There is an institutional explanation of the causes of the existence of these “two” regions. On the one hand from 1994 in north-central Mexico there is economic integration, albeit asymmetric, with the world’s largest production center (United States) and the Pacific Rim, under the Cooperation Forum mechanism (APEC).

On the other hand, most of the investment and infrastructure generated by NAFTA, was directed particularly to the urban and industrial sectors, not the agricultural, giving preference to the external sector -not based on oil exports, as shown in the following table:

Table 5
Basic economic indicators for the Puebla- Panama Region

Country/Indicator	Belice	Costa Rica	Guatemala	El Salvador	Honduras	Mexico	Nicaragua	Panamá	AL
GDP growth	10.4	5.1	3.7	4.3	3.5	2.2	1.7	3.6	2.92
Gross fixed investment (GDP%)	28.6	19.9	16.2	18.8	21.8	20.5	26.4	15.3	20.0
Goods and services export growth		21.0	19.46	6.2	-1.0	13.0	8.2	-15.0	6.7
Current account deficit GDP%		3.2	1.7	6.0	3.3	3.1	47.2	13.9	3.1
Unemployment rate (%)		5.2	7.9	4.5		2.2	9.8	13.3	8.7

Source: BID Situación Económica y Perspectivas Región II, octubre de 2001 en CEPAL, Anuario 2000

For analysts who designed the “development vision” in the basic documents (BCIE, IDB, ECLAC, 2001), data from the above table reflect a stable situation in macroeconomic variables and those related to external sectors with the particularity of Nicaragua, where the weight of its debt is close to half of its output and Panama, with a high rate of unemployment in this period.

In this contrast of the region with the Puebla-Panama and Latin America, is not discordant with a transitive phase and medium term to focus on a macro-region where sectoral implementation projects have the following distribution to avoid mismatches:

- 1) Roads (85.2 percent of total budget)
- 2) Electrical interconnection (11.1 percent)
- 3) Promotion of tourism (1.3 percent)
- 4) Human development (0.8 percent)
- 5) Prevention and Mitigation (0.7 percent)
- 6) Trade facilitation (0.6 percent)
- 7) Sustainable development (0.4 percent)
- 8) Integration of services and telecommunications (0.3 percent)

The major emphasis in the proposal was the most widely distributed (more than 80 percent) in expanding the road network without leaving production targets for which this policy was thinking.

This new network would cover the interconnection of transport between land and sea routes in four points:

- a) Atlantic Corridor Road Integration (joining the City of Villahermosa Cutuco Salvadoran port).
- b) Pacific Corridor Integration Puebla-Panama (a length of 3.156 kilometers).
- c) Branches, linkages and connections of the Mesoamerican Network of roads (including 2.670 kilometers to the northern border and the use of ports).

- d) Harmonization of transport regulations and standardization of technical standards.

In point two eight related to electrical interconnection and integration of telecommunications services in spite of not having a big budget (11.1 and 0.3 percent respectively) consists of three variants:

- a) Project: Electrical Interconnection System for Central America (SIEPAC) (construction of 1830 km of 230 kv lines for the creation of Regional Electricity Market Mer-).
- b) Interconnection Mexico-Guatemala (between the substations of Tapachula and Los Brillantes in Guatemala).
- c) Interconnection: Guatemala-Belize (line extension of 195 km between the substations in Santa Elena Petén and Belize City, respectively).

With these two projects in this period of operation, has allowed for the Central American case involving complementary private sector investment and parallel privatization of public companies in these fields.

In the first six years in the case of Mexico was not widely publicized this extension and construction of infrastructure for consolidation in this first stage of the Regional Electricity Market (MER) in a network of Electric Interconnection System for Central America (SIEPAC) ie the interconnection between Mexico and Guatemala and later Guatemala and Belize on a single line with all electrical service from Panama to Mexico.

In the Telecommunication correspond to two goals:

- 1) regional fiber optic network (information transmission speed of 2 Gbits / second).
- 2) A Regional Regulatory Framework.

Once upgraded the electrical system interconnection and parallel to this building was completed fiber optic networks over a distance of approximately 4 000 km, for all Central American cities with

their capitals, ports and airports. For the Mexican case is installed k.m. 1500 optical fiber.

With this new sector, the dynamism of the economy becomes more important in international transactions registered but this domestic and international liberalization of telecommunications within the framework of the World Trade Organization (WTO).

MESOAMERICA AND THE ENVIRONMENT

The Mesoamerican region, not in the intergovernmental framework was and is the cultural center of the settlements of the first major agricultural economies of the continent, the domestication of plants such as maize, which remain the basis of consumption of most of the people Mexico and Central America.

This nature of the ancient settlements of various indigenous groups (102 ethnic groups of which 56 are in Mexico) that are an integral part not only the consumption of corn, beans, cocoa, tomato, cotton and chile among the most representative, but conservation and breeding habitat, in a performance or non-Western view.(Florescano, 2007) This cultural view is in contradiction with the interpretation and developmental economics, from their mercantilist, perspective products and natural resources take on a strategic meaning.

If we compare the various views is necessary to incorporate a study of the state natural heritage of this great Mesoamerican region (which includes not only the countries of Central America, but the Caribbean), indicating that this area is one of the most macrodiversity in the world, comprising 7 percent of the overall biological richness recorded with only 0.5 percent of Earth's land surface.

If the size up a perspective of intrinsic values of nature, this is equivalent to 88.440 species of vascular plants, of which 21.227 are endemic

and about 9.868 vertebrates, including mammals, birds, reptiles, amphibians and fish, of which, 182 mammals and 130 birds are considered endemic (Arreola Muñoz, 2006). The author of this review makes clear that this area can be defined in a mega threat.

As for the natural resources of southern Mexico and Central America in an area of approximately one million square kilometers are in correspondence with natural ecosystems ranging from high jungles, forests, dry forests in particular to set up about 22 different ecoregions (INE -SEMARNAP, 1996).

The southern states of Mexico are benefiting from a high richness in climate and water resources, which have largely been wasted. The southern region accounts for over 70 percent of available water (Equihua, Benitez, Muñoz, Medina Aláñez, Pulido, Palestina & Acosta, 2006) with a wealth of the Grijalva and Usumacinta. Some tributaries create basins that are part of the dams that generate over 40% of the electricity (for the private sector) for these resources to Mexico and that originate in Guatemala.

On the other hand is present deforestation by fragmentation and degradation of these microregions in: forests and woodlands to the population growth by a strong agricultural demand before an indiscriminate opening and the introduction of new technologies and seeds. Aspects untouched in chapters of NAFTA.

With the initial count of the great potential of the area, is defining the outline of a macro-region with the seventh point referred to the "Sustainable Development".

In this section it is obvious that in the future will face the two interpretations, one hand posture manifested as intergovernmental and otherwise naturalist mercantilist vision, typical of many native peoples of Mesoamerica and who are defending their habitat.

Taking as a key feature for the institutional position <to promote conservation and sustainable management of natural resources and local community involvement>, give an account of how they seek to achieve set goals.

At this early stage the goals were part of a conception which would be integrated vision of comprehensive development sustainable force, inclusive and environmentally sustainable and orderly affecting geographically into three variants:

- a) Support investment in natural resource management
- b) Cultural heritage, indigenous and equity.
- c) Environmental Management Project

In the first section, the objective of the institutional approach is to maximize the economic potential of income generation based on natural resources throughout the region. This supported the idea of finding the comparative and competitive advantages through investments with high social, environmental and economic.

It is the focal point to achieve (with infrastructure items 1, 2 and 8) link this macro-region in the local, regional and international.

This proposal includes two components. The first seeks to develop human resources and development of specific skills and knowledge in populations.

It is clear that the Agreement of Tuxtla was considered important to declare Central America as a region of peace, freedom, democracy and development, but excluding the educational component and technology development is the substantial basis of sustainable development and enduring.

As to the second paragraph, the operation came in sharp contrast to the presence of indigenous groups and the announcement in their territories the Mesoamerican Biological Corridor (MBC). It

has been a major obstacle to its implementation and that there never was the ability of local authorities regarding the management or negotiation and consultation processes (eg Bill Parota Dam).

Central to the case of the environmental management projects combine the proposals of the two Central American Program Modernization of Environmental Management (PROCEED) in accordance SEMARNAT of Mexico in the:

- a) Regional harmonization of environmental policies
- b) The compatibility of management tools
- c) Strengthening the management capacity
- d) Regional monitoring systems

Finally, the results of this planning exercise in this macro-region, failed to impact the scheme of "Human Development" involving higher levels of:

- a) Health
- b) Local Development
- c) Training on the job
- d) Information System Migration
- d) Management of natural resources by local organizations
- e) Access to scientific and technological development

CONCLUSION

The limits of this project as a public policy to close income gaps and combat poverty and marginalization lay in its oblivion to environments and changes of a greater integration of Latin America in the 21st century as well as the international economic relations in other experiences of sub-regional agreements such as Southeast Asia (ASEAN) in the Pacific and the European Union enlargement (new center of economic power).

An alternative vision of greater integration for the development of the region preventing economic,

social and political fractures present in past processes is being built in several Latin American countries. In short we need to recognize the asymmetries and value the convergence with a new face, where programs such as the PPP now called Plan Mesoamericano permit the incorporation of communities, peoples, civil society organizations to design a sustainable project to prevent the disintegration of communities, cultures or the loss of biodiversity in Mesoamerica.

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