

## Plan Puebla Panama

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Description The Plan Puebla Panama (PPP) was initiated by Mexican president, Vicente Fox, in 2001. The goal of the PPP is to spur development in the nine Mexican states south of Mexico City and the seven Central and Latin American republics contiguous with them (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama).

Encompassing a number of the poorest states and countries in the Americas, the PPP proposes a massive influx of public funds by the participating states (up to US \$20 billion) in order to develop transportation links, telecommunications systems, hydroelectric dams, and other infrastructural elements required to attract private investors to the region. Supporters of the PPP, which include participating governments and business interests in each country, have argued that such investment is the only way to improve the economic prospects of their citizens, largely through the provision of new employment opportunities. Critics of the PPP, who include activists and citizens groups as well as foreign NGOs, have greeted the prospects of the creation of another free trade zone in the Americas with alarm. The transfer of substantial public monies to private hands and the opening of the area for exploitation by foreign entrepreneurs interested in accessing the area's natural resources, biotechnological potential, tourist possibilities, and cheap labour, is viewed by critics as an example of the application of neo-liberal economic principles whose primary intent is profit for industry and investors, rather than real and lasting prosperity for those in the region.

Widespread and vocal criticisms of the PPP by Indigenous communities, international NGOs, and activist groups along with the collapse of the Free Trade Area of the Americas on 1 January 2005 have effectively shelved implementation of the PPP. However, plans for the implementation of a Central American Free Trade Agreement, which includes many of the countries involved in the PPP, suggests that it may still be possible to implement the general aims of Plan through this new agreement.

Suggested Reading: **Bulmer-Thomas, Victor.** 1998. The Central American common market: From closed to open regionalism. *World Development* 26 (2): 313-22.

**Edwards, Beatrice.** 2004. Open forum. Selling free trade in Central America. *NACLA report on the Americas* 37 (5): 8-9.

**Corpwatch website.** *PPP: Plan Puebla Panama, or Private Plans for Profit?*, [www.corpwatch.org/article.php?id=3953#2](http://www.corpwatch.org/article.php?id=3953#2) (accessed 31 October 2005).

**Plan Puebla Panama website.** [www.iadb.org/ppp](http://www.iadb.org/ppp) (accessed 31 October 2005).

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