Annals of Tourism Research 54 (2015) 65–83

Contents lists available at ScienceDirect

Annals of Tourism Research

journal homepage: www.elsevier.com/locate/atoures

Myths of tourism institutionalization and Cancún

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ARTICLE INFO

Article history:
Received 10 July 2013
Revised 30 May 2015
Accepted 2 June 2015

Coordinating Editor: Michael Hall C.

Keywords:
Cancun Mexico
Development strategy
Tourism economic policy
Institutional theory
Central bank
Enriquez-Savignac

ABSTRACT

This interdisciplinary investigation revisits Cancún's origins and tourism institutionalization. Original accounting documents separate myth and marketing from events to debunk widely disseminated misconceptions of the Mexican state's role. This rare view of mass tourism emergence at a (trans)formative period demonstrates the historical processes, personalities and ploys. Against a backdrop of conflicts, a banking alliance sparked integrally planned tourism centers. Cancún was the brainchild of economics-trained central bankers inexperienced in tourism with a mandate to increase foreign revenue. Amid looming failure, the bankers swapped land-for-shares to portray the project as a financial success to its stakeholders. Combined with fiscal sociology, organizational theory institutionalization through a six-stage process serves to incrementally reveal the introduction of central planning, the linchpin of Mexico's tourism predominance.

Introduction

Mexico's unique combination of a young, burgeoning labor force, 9330 km of coastline, climate and culture explains why in 2006 it ranked seventh worldwide in number of foreign visitors—the only developing country in the top ten with the exception of China (UNWTO, 2006). According to a Ministry of Tourism report, domestic and foreign private investment in 2006 exceeded $12 billion, a 12% annual increase since 2002. However, numbers alone cannot explain how tourism becomes an established social practice. Aldrich & Fiol state that "the period during which a new industry emerges deserves more theoretical attention because the struggle to carve out a niche for a new

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http://dx.doi.org/10.1016/j.annals.2015.06.002
0160-7383/

industry involves such strong forces that the events of that period may be forever imprinted on the organisations that persist" (1994, p. 663). The linchpin of Mexican tourism's institutionalization is Cancún.

Cancún's emergence has been studied previously, its conception and construction erroneously attributed to the Mexican state aided by (international) capital (Clancy, 2001; Hiernaux, 1999; Torres, 1997). These interpretations reduce finance to the handmaiden of a reified state. In the absence of substantive primary data, Cancún's origins have been macro-level (Collins, 1979) and/or based on secondary data (Clancy, 2001; Hiernaux, 1999; Torres, 1997), reinforced through echoes by subsequent authors (Castellanos, 2010; Gladstone, 2005; Torres & Momsen, 2005), or simply overlooked (Gormsen, 1982; Jiménez-Martínez, 1993). Rather than structural determinism, Mexico's tourism institutionalization is best revealed through the interplay of structure and agency because it allows for the microlevel of human action to explicate the transformation of seemingly enduring structures (Bramwell, 2006; Bramwell & Meyer, 2007). It is at the level of everyday micro-situations and social practice that "individuals and groups have agency, the capacity to process social experience and seek ways to solve problems ... even under the most extreme structural constraints" (Bramwell, 2006, p. 959).

All accounts agree that the selection and construction of Cancún was associated with Mexico's Central Bank (Banco de México SA, hereafter Banxico). Some acknowledge the involvement of economics-trained central bankers with a mandate to increase foreign revenue but who were inexperienced in tourism. The bankers first studied the industry and then, with the aid of the independent Trust Fund for Tourism Infrastructure (INFRATUR), launched integrally planned tourism centers (Centro Integralmente Planeado, hereafter CIP). Contrary to previous accounts, this economic policy defied government economic development plans. The collapse of Banxico within statist explanations resulted in the Mexican President Luis Echevarría (1970–1976) being systematically credited with Cancún's genesis, although the project was developed and the international loan requested prior to his presidency. In fact, Echevarría opposed Cancún and considered canceling the project (Ambrosie, personal communication; July, 2007; Marti-Brito, 1985). Instead, Echevarría and his private secretary implemented a trust fund instrument for coastal communal-land development in Pacific Mexico (Echeverría, 1971; Jiménez-Martínez, 1993). When their "Bahia de Banderas" project failed Echevarría ceded to pressure, allowing the Cancún project to proceed (Marti-Brito, 1985). The construction continued but the bankers failed to attract interest from international hoteliers making INFRATUR cash-poor for the upcoming loan payment. Consequently, Echevarría's support was fostered and the Treasury quietly assumed reimbursement.

Some authors argue that these details add little. But the persistent myth of Echevarría's involvement and macrolevel statist framing obscure the true source of inspiration and agency of tourism industrialization—forces so strong that the model is the bedrock of Mexico's industry today. These seemingly irrelevant details explicate the endurance of current structures carved out of rivalry. Prior to the mid-1970s, two mutually exclusive and competing camps of Mexican elites guided economic policy according to their respective worldviews: the "técnicos," qualified for office by expertise (e.g. economists at Banxico), and the "políticos," qualified for office by party loyalty (Centeno & Maxfield, 1992). This sharp division remained throughout the 1960s and until the mid-1970s, when Echevarría succeeded in subsuming the banking alliance:

> Expanding the state's economic role required increasing public spending. This could not be done without purging officials of the Banco de Mexico and SHCP [finance ministry] who opposed such measures. As part of his campaign to weaken the técnicos at SHCP and Banco de Mexico, the President declared that "economic policy is made at Los Pinos" (the presidential mansion). Echeverria's struggle against the técnicos culminated with the resignation of Hugo Margain as Secretary of the Treasury in 1973 and his replacement by Echeverria's life-long friend Jose Lopez Portillo. (Centeno & Maxfield, 1992, p. 80)

In the chaos of Cancún's construction and loan deadlines, INFRATUR's directors feigned success and then courted políticos to adopt the teetering project (Marti-Brito, 1985). Shortly thereafter, the Echevarría government created the Tourism Ministry (SECTUR), and within it FONATUR (Fondo

Nacional para el Desarrollo Turístico), a merger of INFRATUR and a semi-dormant financial trust fund (FOGATUR) (Fonatur, 1974a, 1974b, 1975). Hereafter, data is freely available regarding subsequent events, including FONATUR's técnicos quickly distancing SECTUR's políticos (Clancy, 2001, p. 54).

Institutions are a combination of structures and agency. Structures perpetuate to the extent that routines, such as tourism statistics collection or education programs, reproduce and reinforce them. Iteratively, activities evidence agency within the bounds of structure (Baber, 1991; Giddens, 1993; Scott, 2008), such as a broad interpretation of development project regulations. The rules are predicated on existing norms and values. For example, Banxico autonomy and the Cancún project were possible because of the introduction of the common law public trust fund instrument into Mexico's civil law code in 1932, the first civil law country to do so. This instrument is such an oddity for a civil law country that it requires special accounting rules (Rodriguez-Ruiz, 1975). Trust deployment, previously overlooked, must be contextualized by accounting practices to explicate the bounded, rationalized choices that guided Banxico's independence from government oversight. Cancún's portrayal as a success required accruals of direct investment and land-for-share swaps, tactics unavailable to government public works using cash accounting. Behind the buoyant and orderly reports was the chaos of a stumbling project.

The contribution of this study is a historical correction regarding the emergence of an iconic beach destination using new primary data that explains the current structures. The addition of banking alliances bridges the state-society gap providing microlevel detail that nuances the struggles. This fills the "breach between microlevel organizational studies of individual institutions/firms and organization theories designed to apply to any organization, regardless of national macroeconomic or political context" (Maxfield, 1991, p. 422). Macrolevel statist explanations imply structural determinism; the microlevel description breathes life and agency into statism (Ambrosie, 2010). Organizational theory institutionalization refined with fiscal sociology better frames the introduction and establishment of an industry, which is something that is difficult and rare to illustrate if a destination has a history of extant industries confounding the emergence of one such as tourism.

Cancún—the brainchild of a bankers' alliance not the state

Overlooking bankers' alliances engenders three misconceptions of Cancún's origins: reification of the state, confusion of events and aggrandizement of contemporaneous political activities such as Acapulco. One study states that the Master Integral Plan was "state-driven" and "created by experts of the federal government, particularly experts of tourist institutions (SECTUR and FONATUR)" (Torres, 1997, p. 185). The reference to "state actors" obscures processes because the state "does not have this unity, this individuality, this rigorous functionality, nor, to speak frankly, this importance; maybe, after all, the state is no more than a composite reality and a mythicized abstraction, whose importance is a lot more limited than many of us think" (Foucault, 1991, p. 103). As for the tourism institutions cited, they were created after Cancún's construction.

Other examples of obscurantism include subsuming capital within the state. A "nation's financial system is the crucial aspect of domestic structure which explains cross-national variation in industrial policies and modes of industrial adjustment" (Maxfield, 1991, p. 423). Industrial policy can be dictated by the government or can diverge sharply, reflecting bankers' preferences especially when the following three conditions are met:

> (a) If the central bank is relatively autonomous from the legislature and the chief executive of the government, and was founded in close collaboration with private financiers, (b) if the finance ministry is allied with the central bank and exercises hegemony over the other state economic policy-making agencies, and (c) if state industrialization or planning authorities have relatively little ability to control the flow of investment funds. (Maxfield, 1991, p. 427)

Banxico and INFRATUR evidence these conditions. Industrialists, when linked to financiers, are likely to share the bankers' policy preferences (here monetary stability) and resist state intervention. Tight industrial-financial linkages immunized industrialists from state efforts to guide policies because industrial expansion did not require state resources. From 1950 to 1970, the políticos saw employment as a priority while Banxico embraced export-led growth through large manufacturing.

Paradoxically, industrialists' importation of machinery and primary inputs to produce exports depleted foreign reserves. The current account balance plummeted from a $149 million surplus in 1955 to a deficit of over $1 billion by 1970, 3.3% of GDP (Clancy, 2001). Then, the tight Mexican banking alliance of técnicos implemented Cancún with relative autonomy (Centeno & Maxfield, 1992; Marti-Brito, 1985), now turning to their banking cronies to swap shares for Cancún's developed land (Ambrosie, 2012). "Not until the Secretariat of Planning and Budget was founded in 1976 did this dynamic duo [Central Bank and Finance Ministry] begin to lose control over the policy agency and priorities" (Maxfield, 1991, p. 434). In 1982, because the políticos favored looser internal credit to foment employment, the Mexican government nationalized commercial banking in order to "control capital mobility and induce and guide industrial investment as financial markets boomed" (Maxfield, 1991, p. 440).

Finally is the undeserved accolades of Miguel Alemán-Valdes, Mexican President (1946–1952) and later the General Director of the influential National Tourism Commission (1958–1983). The político is called the "father of the Mexican tourism industry" as he developed strategic plans for tourism in the 1950s (Valenzuela-Valdivieso & Coll-Hurtado, 2010). But infrastructure, promotion and supplier agreements channeled investment and promotion to Acapulco where he and his cronies were invested (Jiménez-Martínez, 1993; MacDonald-Escobedo, 1981; Valenzuela-Valdivieso & Coll-Hurtado, 2010). There is no evidence of proposals for other destinations or benefits to broader society beyond Acapulco. Moreover, the Department of Tourism, created in 1958, remained poorly funded and limited in scope despite fifteen promotional offices abroad (Clancy, 2001), reputed to serve Alemán-Valdes' private commercial interests.

Fig. 1. Photos – Cancún 1970 and 2000.

Cancún emerged in this period of turbulence. Original accounting documents evidence resource use and disbursements including land-for-share swaps that left the project cash-poor and unable to reimburse the international loan. Despite looming bankruptcy, the técnicos shaped economic policy through their network that transcended organizational boundaries (Dredge, 2006), even resisting the políticos' attempts to direct policy (Maxfield, 1991). First is a discussion of institutional theory nuanced by fiscal sociology that frames formative events enacted by a powerful banking alliance riven well after Cancún's genesis. Then, using a six-stage institutionalization process (Greenwood, Suddaby, & Hinings, 2002), the dominant forces throughout the chaos are incrementally revealed. Bounded and facilitated by regulations such as trust funds and accrual accounting, Banxico's banking alliance employed their legitimacy and persuasiveness to justify construction and control, and portray a failing project as a success, ultimately imprinting their economic policy (CIPs) on Mexico (Fig. 1).

Theory and method

Institutional theory and institutional change

Institutions are durable social systems composed of symbolic elements, social activities and resources, material and human, that are disseminated over generations and relatively resistant to change. They are "regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life" (Scott, 2008, p. 48). These elements are embodied in power and rules, manifested in texts such as laws and accounts, and reproduced in rituals such as education and training (Foucault, 1991; Greenwood et al., 2002; Scott, 2008).

Actors encode institutions in their stocks of practical knowledge, and carry and transmit them (Dacin, Goodstein, & Scott, 2002; Scott, 2008). This knowledge is identified by behavioral regularities or routines called modalities (Giddens, 1993), scripts (Barley & Tolbert, 1997) and carriers (Scott, 2008). Scripts or carriers include procedures, laws, objects or artefacts and even accreditations that all form part of structures. Although "structure" implies tangibility, it "has no existence independent of knowledge that agents have about what they do in their day-to-day activity" (Giddens, 1984, p. 26). Structure is both the medium and outcome of social routines within a social system and constrains

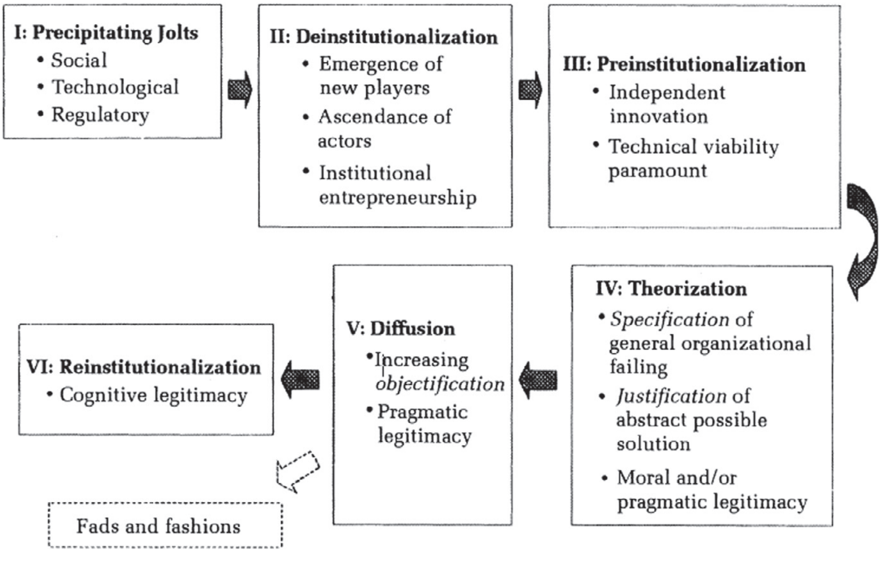

Fig. 2. Stages of institutional change. Reproduced from Greenwood, Suddaby, & Hinings, 2002, p. 60.

agency, making certain behaviors more likely. Yet, within these boundaries agents enjoy a range of choice and actions that over time spawns the creation, modification and even displacement of institutions (Fig. 2).

Greenwood et al. (2002) describe the six stages of institutional change as destabilization, deinstitutionalization, preinstitutionalization, theorization, diffusion and reinstitutionalization (see also Miner, 2006). Destabilization requires a "precipitating jolt" (Greenwood et al., 2002) or trigger events (Hoffman, 1999) that impact and fracture existing practices. A crisis such as a severe trade imbalance then leads to new players or the changed statuses of existing players in response to functional, political or social pressures. Emerging actors advance new ideas such as tourism that are examined and justified using cause-effect arguments (theorization), a stage often ignored in studies of tourism and public policy (Hall, 2010, 2014). Banxico undertook a two-year study before confirming tourism for the economic success of neighboring destinations and selecting the sites for their ideal attributes. However, diffusion results "only if new ideas are compellingly presented as more appropriate than existing practices" (Greenwood et al., 2002, p. 60). INFRATUR directors convinced government officials and the public of Cancún's instant success—an ongoing myth. Successful persuasion engenders a social movement that accelerates to become an institutional imperative when ideas are unassailable. In Mexico, measures of investment and employment demonstrate the undeniable importance of tourism to Mexico and justify continuing investment.

Fiscal sociology and institutional normalization

Institutions perpetuate and reinforce existing conduct. But forces reside within existing institutions that potentiate change. Rather than unbridled agency or determined structures, each of the six stages of institutional change is conditioned by accreted structures which make actors' choices and outcomes more probable (Giddens, 1984). Because of the duality of perpetuation and change, change occurs by building on pre-existing practices. Here, fiscal sociology helps to explain those structures which mediated alliances and decisions. The leverage of financiers over the government impacted policy decisions.

> Government dependence on financiers for revenue accords the latter structural influence over public policy. If this is true, we should expect financiers' influence to be stronger to the extent that financial structure and performance shape industrialization and the macroeconomy generally. (Maxfield, 1991, p. 424)

The theory predicts that the alliance strength will correlate to economic policy patterns, for example CIPs such as Cancún that are still common today. Highly successful policies are affirmed by social practices that are normalized through "fields of knowledge," education and employment.

> The Normal is established as a principle of coercion in teaching with the introduction of a standardized education ... it is established in the effort to organize a national ... profession and a ... system capable of operating general norms ...; it is established in the standardization of industrial processes and products. (Foucault, 1986, pp. 196–197)

Numerous studies demonstrate that tourism suffers from a poor image, which is the major deterrent to attracting young adults into post-secondary training (Baum, 1994; Getz, 1994; Haven-Tang & Botterill, 2005; Pizam, 1982; Ross, 1992). The poor image is a result of perceptions of low wages, unsatisfactory working conditions and few career advancement opportunities (Airey & Frontistis, 1997; Baum, 1994; Haven, 2002; Pizam, 1982). These findings hold irrespective of the country and passing of time (Baum, 1994). But rather than stagnant or declining, the number of educational and accreditation tourism opportunities is today greater in Mexico than almost any other country. Career choice is a willingness to invest substantial resources in a normalized profession.

Method: historiographic archival research

To document fundamental change, longitudinal data is essential. The documents analyzed span half a century. The method is necessarily archival, described as a "constellation of analytic endeavours that seek to gain insight through systematic interrogation of the documents, texts and other material artefacts that are produced by and around organizations" (Ventresca & Mohr, 2002, p. 805). Archival methods are well-suited to institutional theory, which focuses on relations and symbolic systems at the local and non-local levels that produce effects over time and leave traces such as reports (Barley & Tolbert, 1997; Scott, 2008; Ventresca & Mohr, 2002).

In order to study "institutions in action" historically, the method is to select the site of change or, in this case, creation, chart the flows of action leading to the change or creation (structuration), and triangulate the findings with other sources (Barley & Tolbert, 1997). The foci are Banxico and INFRATUR, and the actions prior to and especially during Cancún's formative period of 1968–1974. After months of investigation, this author located original documents dating from the construction of the private home of one of the original planners, Pedro Dondé-Escalante. Dondé-Escalante carefully archived over 20,000 pages of documents from his years as chief economist for Cancún. Contemporaneous accounts of interaction and actors' interpretations of their behavior are preferable to secondary sources, as the latter are subject to rationalized reconstruction (Barley & Tolbert, 1997).

But even contemporaneous accounts can lead to bias because of shifting standards of record-keeping; inconsistency in categorization or grouping; record-keeping rigidity which excludes certain information; or accidental and selective document destruction. The selection process is further complicated by too much data resulting in selection bias or conversely too little data resulting in gaps and misinterpretation. One solution is triangulation which is the use of multiple data sources to confirm regularities, establish convergence and deepen understanding.

To triangulate and contextualize Dondé-Escalante's reports, documents consulted included 1930–1980 Banxico reports, governors' speeches, and accounting and legal manuals treating trust fund administration. Other scholarly works bracketing the formative 1968–1974 period (e.g. Centeno & Maxfield, 1992; Clancy, 2001; Jiménez-Martínez, 1993) contextualized trigger events (or "jolts"). Trigger events, unrecognized in the moment, are identifiable in retrospect. The three key events include the 1932 legalization of the trust fund, the measurement of a new "object"—tourism—by a young técnico Ernesto Fernández-Hurtado to refine the balance of payments, and the failed economic policy and monetary crisis of the 1960s that drove Banxico, with Fernández-Hurtado as Assistant Governor, to innovate.

Tourism institutionalization

Deinstitutionalization: emerging actors, coalitions and ideas

Unlike today's central banks that focus on currency, money supply and interest rates, Banxico's interests in the 1960s were broader. The semi-autonomous company, governed conjointly with government, viewed its role as economic development and its brand was sometimes at odds with official government policy (Fernández-Hurtado, 1975; MacDonald-Escobedo, 1981; Philips-Olmedo, Silva-Herzog, & Suárez-Dávila, 2003; Turrent-Díaz, 2003). For example, rather than ally with the government, in the 1930s and 1980s Banxico allied with industrialists to maintain tight monetary control. Nine directors composed Banxico's Board—five from the government and four from private banking. The government políticos held 59% of Banxico shares, and bankers (primarily Banamex and Bancomer) the remainder. While the bankers' role appears weaker, the government's term of office was six years with no re-election, whereas the well-trained técnicos had decades of continuity. Fundamental to Banxico's stewardship and autonomy was the civil law oddity, the trust fund, and combined accrual accounting. To comprehend Cancún's creation, it is important to understand the peculiar rules of Mexican trust funds and their employ through accruals, and to remember that Banxico resisted government authority during this period.

Structural and technical viability

The three key components of a trust fund are a trustor (settlor or fiduciary), the owner of the property who creates the trust; a trustee who manages the trust, including incurring debt, as temporary holder of the property; and the beneficiary who benefits from the managed property (Gillese, 1997). Trust law under common law is not codified and disputes are settled by reference to equity principles and precedence, not legislation. Conversely, civil law, the world's most common form of legal system, requires codification and legislation. Until 1932, common-law trusts were alien to civil law countries when Mexico became the first country to enact legislation. Introduced for the same reason as Britain centuries earlier—to mollify the rigid boundaries of statutory law (Gillese, 1997; Rodriguez-Ruiz, 1975)—Mexican legal scholars argue that the trust fund mechanism is innovative because it combines the effective evaluation of projects and efficiently supervises lending and specialized technical assistance (Martinez-Canales, 1988).

The essence of the trust is split-title ownership, normally unrecognized under civil law, and requiring codification that introduced fundamental differences between common law trusts and that of Mexico. For example, only legally recognized credit institutions are allowed to be trustees, a non-existent restriction in common law, and beneficiaries can be unspecified, which is illegal under common law. Whether a state-concessioned corporation or a trust, within 50 years the Mexican government created over 200 entities to achieve a myriad of development objectives from research to credit lending (Licon-Baca, Bernal-Iturriaga, & Moreno-Fernandez, 1982). Between 1950 and 1970, the amount invested increased exponentially (Rodriguez-Ruiz, 1975, p. 175) (Fig. 3).

Despite major historical and technical differences, there is a teleological similarity between common law countries and civil law application in Mexico. In both jurisdictions, the trust fund is a form of protection and even paternalism. The trust instrument grafted onto their systems of rights provided innovative access to resources by técnicos to implement a development strategy on behalf of the Mexican people akin to the constitutional government. The proof of this lies in its accounting.

Institutional entrepreneurship: accrual accounting

Only credit institutions are trustees, so fund accounting adheres to Mexico's bank and credit regulations (Rodriguez-Ruiz, 1975, p. 160) and previously supervised by the National Banking Commission. Regulations include the use of accrual accounting, the valuation and transfer of property held in trust, an accounting of the return on the assets invested according to mandates, and the treatment of revenue and expenses generated by the investments. As to the accrual accounting, it is midway between public sector cash accounting and today's full public sector accrual accounting (IPSAB, 2007). Standard public sector cash accounting ignores assets or liabilities until a cash transaction is affected. Conversely, accrual accounting reports the substantive financial effects of a transaction irrespective of its cash effects. As such, INFRATUR's administrators provided to the Board of Directors a balance sheet (Balanza General), a statement of financial performance (Estado de Resultados), a cash flow statement (Origen y Aplicación de Recursos) plus an investment analysis. More than complying with spending limits and explaining cash flows, INFRATUR's accruals showed mounting assets to prove the project's efficiency and effectiveness. Such were the bounds within which emerging actors innovated.

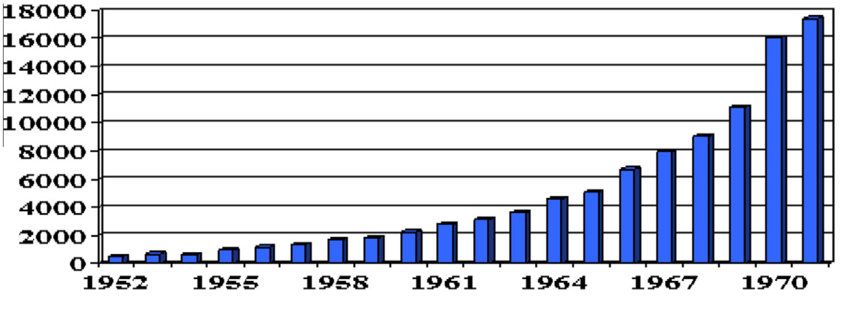

Fig. 3. 1952–1970 growth in the number of trust funds in Mexico.

Preinstitutionalization: innovation and technicity

Structures are composed of objects and "scripts" that direct actors. A neglected area of institutional theory is to understand, conceptually and empirically, how these compositions are produced, maintained and changed (Greenwood et al., 2002). Throughout the 1940s, Ernesto Fernández-Hurtado, a junior researcher at Banxico in his early 20s, observed that tourism revenue was unaccounted for in the balance of payments. To calculate foreign exchange generated by this nascent industry, he began surveying currency exchanged at hotels on the northern border (Turrent-Díaz, 2003, p. 78). With these primitive measures, Banxico's annual reports began addressing tourism (Banxico, 1941-2010). In the 1946 annual report, tourism is highlighted as a factor in foreign reserve increases; in 1947, tourism is consigned under "Current Transactions" disaggregated by debits and credits, and the tourism balance is explained (from $87.7 million to $84.4), and in 1948 the report announces the creation of the National Tourism Commission as well as changes in tourist visits. These are the initial "scripts" around which tourism became an object.

While Fernández-Hurtado attended Harvard for his Masters in Public Administration (Philips-Olmedo et al., 2003, pp. 175–80; Turrent-Díaz, 2003, p. 78), tourism measurement changed to surveying hotels in Mexico City. Upon his return, Fernández-Hurtado quickly ascended to Assistant General Director in the 1960s and to Banxico General Director in 1970. Turrent-Díaz (2003) writes that the Banxico under Fernández-Hurtado was not simply an orthodox central bank but a heterodox institution dedicated to monetary responsibilities in addition to Mexico's economic development. As to the best path to development, Fernández-Hurtado's speeches are unequivocal—tight monetary control with "selective credit" granted according to Banxico's strict vision of industrialization (Philips-Olmedo et al., 2003, pp. 249–250). Credit was for government public works, large-scale industry and affordable housing. Commerce was financed only as strictly necessary because it was "non-productive" and "speculative" (Philips-Olmedo et al., 2003). Focusing on mega-projects employing hundreds of workers, Banxico strangled credit to small- and micro-commerce, on which a large percentage of less educated and poorer sectors of the population depended, and in particular women. As for development, Fernández-Hurtado formed a team to examine plans to increase vital foreign currency (Infratur, 1970d) and reduce migration to over-populated industrial cities (Fernández-Hurtado, 1975). One option was tourism.

Theorization: power and persuasion

Crisis and failing

In order to persuade, ideas must be compellingly presented as more appropriate than the existing practices (Greenwood et al., 2002). However, those whose ideas are heeded are those with legitimacy and power such as Banxico's directors. Power (domination) and legitimacy are the ability to circumscribe appropriate norms and standards that become taken-for-granted (institutionalized) (Dillard, Rigsby, & Goodman, 2004; DiMaggio & Powell, 1983). In 1965, when Fernández-Hurtado instructed Enriquez-Savignac to undertake a major study, rather than looking domestically at Acapulco, the latter traveled to Florida, Hawaii and the Caribbean, among other places. To the técnicos' satisfaction, tourism was growing faster than manufacturing, and regions such as Florida concentrated primarily on tourism for economic growth (Banxico 1969c, 1969d, 1970).

With key economic indicators and the tourist profile in mind, Enriquez-Savignac and his Director of Planning, Dondé-Escalante, traveled the 9330 km (5800 miles) of Mexican coastline and jungle gathering statistics for each region on climate, rainfall, hurricanes, soil types, tidal patterns, property titles, socio-economic levels, supply routes and even pests. "In one place, sharks meant an immediate negative vote; in another cannibal ants moving down from the mountains and devouring everything in their path sent the investigators scurrying" (Dunphy, 1972, p. XXI). The data, fed into an America-based computer, indicated the sites that united the characteristics sought by "fat-wallet" foreign tourists. From 25 locations, the list was refined to five: Loreto, Los Cabos, Huatulco, Ixtapa and Cancún. To select among them, the bankers observed that: "Florida had developed almost entirely around tourism, and with the expulsion of Americans from the Cuban beaches and casinos following the Revolution all the nearby islands swiftly converted their homelands into new alternatives" (translated from Marti-Brito, 1985, p. 13).

Cancún, in addition to absorbing American tourists exiled from Cuba, could provide desperately needed activity for the economically-depressed Yucatan peninsula suffering from the collapse in demand of sisal (Infratur, 1970b). Excluding Chetumal city, the entire population of the federal territory (Quintana Roo was separated from the state of Yucatan in 1902 and declared a state in 1974) was under 1000 permanent residents (Marti-Brito, 1985). Cancún was ostensibly unpopulated and therefore presented few legal impediments to population displacement or land titles (Infratur, 1970b).

Individuals and organizations innovate to provide viable solutions, which are examined and justified using cause-effect arguments (Greenwood et al., 2002; Miner, 2006). To implement the plan, the técnicos presented two alternatives to the políticos to enlist their help. One was for the public sector to install the necessary infrastructure and subsequently look for investors. The second was coordinated public and private capital so that both infrastructure and hotels would begin operations concurrently. The bankers argued that the second option reduced the carrying costs of loans by accelerating the start-up. This meant a disciplined execution of public investment coupled with private direct investment and airline negotiation (Banxico., 1968, p. 37). Paramount to successfully coordinate the ambitious project was an organization with sufficient legal authority to buy or expropriate land (Banxico, 1968, p. 44). The Mexicanized trust fulfilled these requirements.

Justification

Persuasion necessarily involved the public discourse of societal well-being through economic and employment opportunities in regions experiencing emigration to the overcrowded industrial cities. Privately, the corporatist Banxico was interested in hard currency, tight monetary control and its path to industrialization (Fernández-Hurtado, 1975; Marti-Brito, 1985). As the políticos' priority was employment, the economic planning department of Banxico estimated that the number of jobs created in the construction of 1000 rooms of a deluxe hotel for a total investment of MXP 300 million ($24 million) would be precisely 11,819 jobs. The largest demand was in construction (8558 persons), followed by services (1296 persons) and commerce (1003 persons). With this cadence of deluxe hotel construction, sporadic work would become continuous (Banxico, 1968, p. 4). Moreover, employment opportunities would multiply once the hotels opened. It was estimated that $80 million spent annually by tourists in Mexico would create 17,200 jobs in food and agriculture, 16,484 service jobs, 9550 jobs in commerce and 5150 other jobs for a total of 48,384 (Banxico, 1968, p. 5).

According to the 1969 loan proposal for $20 million, by 1972 Cancún would welcome over 60,000 tourists annually, of which 80% would be international. Banxico's economists forecasted an increase of 10% per year to a total of 185,400 tourists by 1975, of which 148,300 would be from overseas (Banxico, 1969b, p. 31). To lodge these tourists, 750 rooms had to be in operation by 1972, twice that many by 1975, and double again by 1980. In under 10 years, a total of 3000 rooms were projected, with hotel occupancy an estimated 44% in 1972 and 80% by 1980 (Fig. 4).

With an estimated two employees per hotel room, Banxico's economists projected 6000 hotel jobs (Banxico, 1969b, p. 39). An essential element of persuasion was an inordinately high economic multiplier effect of 6.5 for every $1 spent by a tourist, among the highest of all economic sectors studied (Banxico, 1969b, pp. 29–30). For every tourist dollar spent in Cancún, economists forecasted a gross income of $6.50 in the combined sectors of food, agriculture, commerce and services.

Diffusion and displacement

Genesis of INFRATUR

On Banxico's request, the Treasury quietly created INFRATUR in May 1969[1] with the latter as trustor, the former as trustee and beneficiaries unspecified, but by extension the Mexican people.

[1] At the Hermeroteca (newspaper library, Universidad Autonoma de Mexico, Mexico DF), I investigated the major journals from the months before and after this creation date for announcements of INFRATUR. I failed to find official or media reports of the event.

CUADRO No. 19

Construcción de Hoteles y Ocupación Hotelera

Año	Turismo (miles)	Iniciación de Construcción (cuartos)	Operación (cuartos)	Indice de Ocupación %
1970	-	750	-	-
1971	-	250	-	-
1972	60.4	250	750	44.1
1973	118.8	250	1 000	65.1
1974	150.0	250	1 250	65.8
1975	185.4	250	1 500	67.7
1976	225.1	500	1 750	70.5
1977	263.8	250	2 000	72.3
1978	306.6	250	2 500	67.2
1979	353.8	-	2 750	70.5
1980	406.7	-	3 000	74.3
1981	438.0 +	-	3 000	80.0

+ Cifra estimada para tener un índice de ocupación del 80% anual.

Fig. 4. 1969 estimations of Cancún's economic impact. *Source:* Banco de México, 1969b: 34.

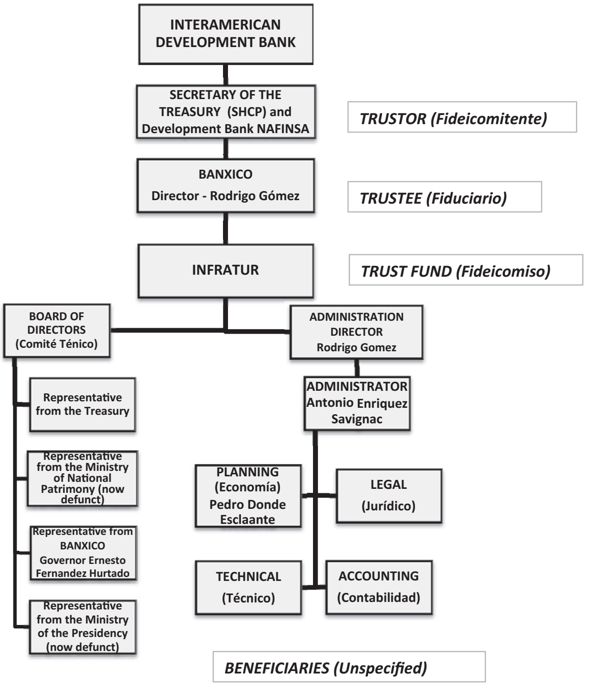

Fig. 5. Organizational chart of INFRATUR.

INFRATUR's mandate was the design, development and promotion of new tourism centers, and the upgrade of existing ones (Banxico, 1969a). Assets included an operating budget of MXP30 million (approximately $3 million) plus the revenue generated by investment. Additionally, the trustor provided federal lands plus national and international funds as necessary. Trust administration fees payable to the trustee Banxico were 0.125% on the first MXP500 million and 0.0625% on the remainder, calculated annually on December 31.

The trust fund contract stipulated that the Board of Directors be composed of two members each from four organizations: Banxico (trustee), the Treasury (trustor) and the Ministry of the Presidency and of National Patrimony (these latter two now defunct) (Fig. 5). The key responsibilities were to authorize INFRATUR's activities, define subcontracting rules, fix selling conditions and approve the annual budget. Notable is the absence of meeting periodicity for oversight. Located in Mexico City 1500 km (930 miles) from the construction site, the board decided meetings "as necessary."

Genesis of Cancún

INFRATUR opened with a MXP 30 million operating budget and had powers to expropriate land. To demonstrate good faith to potential investors, the administrators decided against expropriation, instead purchasing what little private land there was (Banxico, 1969b; Marti-Brito, 1985, p. 29). INFRATUR acquired under 5%, only 408 hectares, from private owners, while 7341 hectares comprised a presidentially decreed land-grant. The land granted was registered at an appraisal value determined by the National Banking Commission plus the costs of land registration and compensation for crops and construction for a total of MXP14.6 million.

The combined initial investment was MXP 547.5 million (Banxico, 1969b). The public sector provided MXP 142 million and the private sector MXP 192.5 million. Nacional Financiera, with powers to negotiate with international credit institutions, handled the $21.5 (MXP 213) million from the International Development Bank (Banxico, 1969b, p. 22) approved in September, 1971 after three years of negotiations (Infratur, 1972a, p. 19; Marti-Brito, 1985, p. 41). The interest rate was 8.5% on unpaid principal over 18 years (not 25 years as requested) with a grace period of three years (not five as requested) with results expected before 1975.

Pragmatic legitimacy

In 1972, Enriquez-Savignac proudly stated to a *New York Times* travel reporter that the

> ... resort area will occupy a 20-mile strip of the L-shaped island's 84-mile coastline. The first stage of development, to be completed by December 1973, calls for construction of several small hotels with a total of 1000 rooms plus the international airport, 15 miles away on the mainland. (Dunphy, 1972, p. XXI)

In a 1973 report he boldly announced that three hotels were under construction (256 rooms) along with 24 houses. He claimed that INFRATUR was negotiating with seven companies that would build an additional 1150 rooms. He confidently concluded that "the response of private investment in hotels in particular and tourism in general [was overwhelming, and], the Cancún Project is surpassing initial projections" (Infratur, 1973a, p. 21). The search for private investors began concurrently with the scheduled construction. Banxico had projected 750 rooms in operation and total private investment of $13 million (Infratur, 1970a), but contrary to these boastful reports not one private investor had committed.

With seasoned hoteliers skeptical, Enriquez-Savignac creatively proposed a threefold solution—lower land prices, land-for-shares swaps and INFRATUR investment in superstructure. These incentives ensured that rooms were operational for Cancún's inauguration on November 30, 1974. Extra-officially expanding INFRATUR's mandate, the bankers invested directly in hotels worth millions of dollars, which redirected a significant portion of resources. Forewarning of these tactics, in the 1972 report Enriquez-Savignac expressed the difficulties:

> In the beginning, it was thought that the natural beauty of Cancún and Ixtapa combined with an integral development plan promoted by the federal government and endorsed by international credit institutions would be a strong incentive for private investors to build hotels, condominiums

> and houses. Although there was some interest, a certain reticence is noted about being pioneers in these new areas. For this reason, INFRATUR had to undertake economic-financial studies of the first international hotel and 24 homes, and undertake the construction and create Inmobiliaria Cancún-Caribe. (Translation. Infratur, 1972a)

Enriquez-Savignac reduced the land prices to attract investment in time for the official opening.

> It would be desirable in certain cases and in order to guarantee the fulfillment of our contractual obligation to have 750 rooms at the time of inauguration of the tourist center, to **offer a discount of 20% on the sale price of the land** if the purchaser inaugurates the hotel installations no later than November 30, 1974. (Translation. Infratur, 1972a, emphasis added)

Banking cronies were enticed to invest although they lacked experience. To convince the uninitiated bankers, INFRATUR offered to select the land, prepare the architectural plans and launch construction (Marti, 1985, pp. 49–50). In 1972, INFRATUR invested trust fund monies of MXP 3.7 million ($250,000) on the first hotel, Cancún Caribe. In exchange for the land, INFRATUR held 19% of the shares and private bankers invested the remainder (Infratur, 1972a; Marti-Brito, 1985, p. 48). Then, to induce the constructor/investor Garcia de la Torre to build a second hotel, INFRATUR's engineers and architects designed a hotel, exchanged land for shares and arranged a construction loan. When the risk-free hotel La Playa Blanca was inaugurated at the deadline in November 1974, the hotel lacked running water, sewer connections and electricity except for that produced by generators, which blew up the air conditioners (Marti-Brito, 1985, pp. 49–50). Despite this private reality, INFRATUR made claims of 332 rooms "in operation" and on track for 750 rooms.

The accounts offer further examples of land-for-share swaps: 20% of Hotel Aristos shares in exchange for land worth MXP 3.40 million; 23.4% stake in the Hotel Garza Blanca for land worth MXP 3.34 million; 13% of Hotel Presidente Intercontinental shares for land worth MXP 3.24 million; and 32% of Hotel Braniff shares for land worth MXP 9.91 million (Infratur, 1973a).

Another strategy was outright construction and ownership. The Club Mediterranée agreed to hotel operation only. The 300-room, 600-bed tourism complex cost $10 million and was rented out annually to Club Med from 1975, described as follows:

> Project: tourism village of 600 beds using Club Meds system of "all inclusive" ... Total investment between MXP 52.5 million and 91.75 million. INFRATUR will build the installations and rent the building to Club Med for a fixed rent of approximately 6% of investment plus an additional rent based on the average annual occupancy. (Translation. Infratur, 1973a, p. 36)

Last were the international chains. The Hilton had talks in 1972 (Infratur, 1972a), but only invested two decades later when the chain bought Cesar's Palace hotel. In short, no major hotel chain invested in Cancún until the 1980s, contrary to myths of early foreign investment.

As an order of magnitude, accounting documents dated December 31, 1972 show no income for land sales. Instead, there was the unexpected expense of MXP 366,000 for hotel construction. The notes state that this superstructural expense was not projected in the original budgets as it was not infrastructural. By 1973, non-mandated, superstructural projects increased from 0.2% to 3.8% of expenses. Simultaneously, income from land sales, the key element of the trust's mandate, increased from 0% to 2.2% of the balance sheet. Much of the land was sold on credit so that MXP 3.7 million in accounts receivables was booked at the end of 1973. Accrual accounting allowed the project to show net income with cash-flow lacking to pay contractors and reimburse the international loan the next year (Infratur, 1973c).

The June 1974 Balance Sheet showed revenue from land as 8.65% of the total value of the assets, under one-half of which were outright purchases (only MXP 15.6 million of the 34.1 million). Meanwhile, land-for-shares swaps cost MXP 18.5 million. That same year, INFRATUR spent MXP 48 million on architectural studies for private hotels, cash donations and hotel construction. The Hotel Presidente received benefits of MXP 15.5 million in a package of land, architectural studies and cash; the hotel Garza Blanca enjoyed benefits totaling MXP 12.5 million; the Hotel Aristos' package was worth MXP 6.7 million; and the hotel Cancún Caribe received MXP 3.7 million (Infratur, 1974).

In addition to the land-for-share swaps, the financial statements show that these hotels were financed by risk-free loans from a dormant 1950s' government trust fund for hotel financing, FOGATUR (Fondo de Garantía y Fomento del Turismo) (Truett & Truett, 1982). Combining FOGATUR loans plus direct investment by the state-owned hotel corporation, Nacional Hotelera (defunct), the Hotel Presidente received 67.5% from government sources as follows: FOGATUR financed 50% of the MXP 50 million for construction, INFRATUR swapped land worth 6.5% and Nacional Hotelera (a subsidiary of FOGATUR) purchased shares for 11%. The proportions invested in other hotels are similar with the exception of INFRATUR's first direct investment, Cancún Caribe, financed 93% by FOGATUR. By 1974, INFRATUR had MXP 47 million (12% of balance sheet) invested in superstructure projects such as hotels and houses, and under 9% of revenue generated from land sales, mostly sold on credit (Infratur, 1974).

Reinstitutionalization

The interests of powerful groups must be reproduced in order to constitute the structures which are fundamental to the institutionalization process (Dillard et al., 2004, p. 510). In interviews with journalists and in reports to the Board of Directors, Enriquez-Savignac consistently declared the success of Banxico's vision. In reality, investors were disinterested in the land so the project lacked the cash flow to reimburse the international loan, which was subsequently paid by the Mexican Treasury. But powerful banks such as Banamex and Bancomer were now reconstituted as hoteliers and financiers to the service sector.

By extra-officially expanding the mandate, INFRATUR invested a substantial portion of the trust fund's assets. In 1975 the project was 50% short of its goal of "rooms-in-operation," but the functioning hotels catalysed private investment from bankers and later from hoteliers. It is to Enriquez-Savignac's credit that by 1980 the available rooms surpassed the goal of 3000 (Marti-Brito, 1985, p. 86), reaching 3960 (Moncada-Jimenez, 2008), with a total of 50 hotels (INEGI, 1984) and mounting international investment. Cancún today provides 40% of Mexico's international tourism receipts (UNWTO, 2001, p. 26). Other CIPs were built such as Los Cabos, Vallarta and Ixtapa, but none were as successful as Cancún (Hiernaux, 1999, p. 133). Forty years after breaking ground in Cancún, tourism produces 5% of Mexico's GDP in real and constant terms (Brida, Pereyra, & Such-Devesa, 2008) and Cancún's airport receives more international air passengers than any other (SCT, 1990–2011).

Unintended consequences

Institutionalization processes are not clean or logical, and often chaotic (Dredge & Whitford, 2010). CIPs were to solve the imbalance of payments (Infratur, 1970d). Moreover, they gainfully employed masses of under-employed and under-educated workers in economically disadvantaged regions, and stemmed the tide of migration to overpopulated industrial zones. As for development, Banxico had argued that tourism would provide equity and prosperity for all Mexicans. In reality, Mexico's income disparity measured by the Gini coefficient is high at over 0.50 since the 1950s. Some studies indicate that the Gini was as high as 0.58 in 1994 (Aguilar Gutiérrez, 2009), while others calculate that it was 0.54 throughout the 1990s (Scott, 2001). Such wealth concentration is much higher than other OECD countries, typically in the 0.30s. Even since 2000, 36–39% of Mexico's wealth is concentrated in 10% of the population (CEFP., 2008), while the lowest decile owns under 2% (WB., 2011). Nationwide the Gini from tourism activities is similar to other industries (SecTur, 2003) and states heavily dependent on tourism such as Quintana Roo (Cancún) have a 5% higher wealth inequality than the national average.

Another argument for CIPs was to avoid the chaos of Acapulco. Rapid and unzoned growth creates large shanty towns. By building in a region with scant industry and population, benefits would be maximized and costs of pollution, land speculation, and hyperinflation avoided. Nonetheless, the influx of workers and settlement problems surprised INFRATUR directors (Banxico, 1968, 1969a, 1969b; Infratur, 1971b). The population doubled between April and August 1973 to 5100 and was expected to rise to over 8000 residents by the end of the same year. By September 1974 the population exploded to 15,122, of which approximately one-half found employment. Of the 7500 employed, 5000 (or one-third of the migrants) worked in construction and 2500 in local commerce and services. Of these workers and their dependents, one-third (approximately 5500) lived in construction camps due to housing shortages. One of the spontaneous markets springing up around the city was so unhygienic that residents called it "Calcutta" (Brito-Marti, 1985, p. 52).

According to the financial statements, in 1972, when the permanent population rose from 845 to 2780, of the MXP 86 million spent on construction in Cancún, 62% went to the tourist zone for landfill, roads, etc. In the same period, under 9% went to roads and accommodation for workers. In 1973, when the population was over 7000, approximately 8% went to resident infrastructure versus 58% to the tourist zone. In order to finance residential construction and essential services, INFRATUR managers procured a loan to be reimbursed by the sale of residential lots to the workers (Infratur, 1972b).

To determine the burden on Cancún's workers, the técnicos studied the "Income and Expense of the Hotel Employees in Acapulco" plus the "Socio-economic Characteristics of the Population of Acapulco." These studies were to "establish the debt capacity of hotel employees to be considered as a subject of credit in the acquisition of project housing" (Translation. Infratur, 1970c). With customary precision, the técnicos evaluated the portion of workers' salaries to reimburse loans for land and construction of a small residence—25% of monthly salary with one-fifth to land and four-fifths to building; financing 4% on land over 20 years and 9% on the building over 15 years; and land price set at MXP 25–45/m^2 (Infratur, 1970c, 1971b, 1971c, 1972b).

The irony of the settlement and mortgaging of migrant populations was not lost on Cancún's first mayor and INFRATUR manager, Alfonso Alarcon.

> The project never took into consideration the philosophy of the Mayas of Quintana Roo, perhaps because it wasn't possible to do so. But the ideas of these people influenced the development of Cancún. In the jungle, property is communal. One builds his house wherever there is empty land. And it has been thus so for centuries. Now, when they arrive in Cancún they find another world with many rules that say where they can buy land and must contract credit to pay for it, and build according to certain specifications after demonstrating certain solvency. (Translation. Brito-Marti, 1985, p. 52)

Perhaps the greatest irony of all is that low-income re-settled workers bought their land for MXP 45/m^2, while the lots in the hotel zone, priced at MXP 92.18/m^2 or more (Banxico 1969b; Infratur, 1971a), were endowed to wealthy private bankers.

As for other effects, in 1973 INFRATUR established the first social services office (Infratur, 1973b). In 1974 the first clinic opened followed by the first hospital in 1976 (Contla-Hosking, Ceballos-Martinez, & Peralta-Bahena, 2005), meaning that seriously injured workers no longer needed to be transported 300 km to either Chetumal or Merida for surgery and treatment. Finally, CIPs and tourism did not avert the monetary crisis. In fact, the current account deficit grew from $3.0 billion in 1976 to $16.42 billion in 1981. Mexico suffered three major financial crises over the next decade following 22 years of monetary stability: the first in 1976 with a 50% devaluation in the exchange rate to MXP 22.50 to the dollar; the second in 1982 with a further 25% decline against the dollar to MXP 27; and the most disastrous in 1986 with a devaluation of over 8300% to MXP 2281 (Banxico, S.A. Informes Annual). Yet, Banxico's vision is an unquestioned success—CIPs create employment and generate foreign revenue, Americans and others have a playground after the loss of Cuba, and the Mayans and other workers are employees and mortgage holders.

Cognitive legitimacy

Full institutionalization is evidenced by affirmed notions embodied in a social movement that gains momentum to become an institutional imperative as tourism is today. In March 1974, FONATUR was created by merging INFRATUR with FOGATUR and was placed within the Ministry of Tourism (Fonatur, 1974a). Cancún's director Enriquez-Savignac became FONATUR's first director after resigning from Banxico. Later, Enriquez-Savignac became Minister of Tourism (1982–1990) under the presidency of Miguel Madrid-Hurtado, the nephew of Fernández-Hurtado (Banxico's ex-governor). From 1990 to 1996, Enriquez-Savignac was Secretary General of the UN World Tourism Organization.

Enriquez-Savignac accelerated investment, which increased the demand for training. Since its creation in 1974, FONATUR has invested a total of $2.3 billion and attracted over $15 billion in investment, according to its website. In response, the demand for post-secondary training (vocational and university) intensified. In 1953 there was one technical school, the Escuela Mexicana de Turismo (El Universal., 2007; MacDonald-Escobedo, 1981, p. 129), to which the first university degree at the Universidad Autonoma del Estado de México was added in 1959. Five decades later, the number of programs expanded to 768 different hospitality training opportunities, ranging from basic skills (70) to post-secondary vocational (317) to three- and four-year bachelor's degrees (351 degree-programmes) (SecTur, 2007). There are now programs in every state offering a diploma or a degree officially recognized and accredited by the Ministry of Education. Quintana Roo ranks second in Mexico for programs per capita after Baja California Sur and Los Cabos, the state with the second CIP, proof of full institutionalization of the tourism industry.

Conclusion

Assessments of tourism-related government institutions must include interpretations of governance, power and values. Moreover, tourism studies should be more explicit and consistent in uses of theory (Hall, 2010, 2014; Hall & Jenkins, 2004). As such, the combination of institutional theory and fiscal sociology provides a better framework for Cancún's genesis than political economy (Ambrosie, 2010). Previous statist accounts incorrectly attribute a structurally determined, amorphous Mexican state with financiers as handmaidens. Ignoring INFRATUR or collapsing INFRATUR with FONATUR allows myths of this (trans)formative period to persist. These interpretations overlook the divisions between party-loyal políticos and economics-trained técnicos that set the events. Primary data reveals INFRATUR's autonomy to administer resources, implement public works, conclude airline agreements and market properties. The trust fund instrument allowed each CIP to be independent of políticos' economic policy until the políticos broke the banking alliance towards the end of Echevarría's presidency.

Greenwood et al.'s (2002) six stages of institutional change frame concurrent events and clarify the turbulent path to tourism institutionalization. Destabilization follows precipitating jolts. In the 1960s, Banxico chose regional tourism development to solve a monetary crisis and the overcrowding of industrial cities. Deinstitutionalization develops when solutions are sought. The bankers methodically and meticulously studied different factors to determine the industry most apt to improve the balance of payments (Infratur, 1970d). Preinstitutionalization is the selection of possible solutions that often reflect existing structures. Despite a public discourse of societal well-being and wealth redistribution, the priority of the corporatist Banxico was to generate hard currency while maintaining their chosen policy of large-scale industrialization (Fernández-Hurtado, 1975). Theorization ensues with cause-effect arguments. Banxico could have submitted their results and recommendations to the appropriate executive government branches for action, such as Public Works. They could also have co-opted their major competitor, Miguel Alemán, and the model of Acapulco to sites along the Caribbean. Instead, the técnicos assumed full control of the project through an autonomous trust fund that allowed CIPs to be virtually unhindered by the usual constitutional restrictions on bidding and construction, and kept the project far from the reputed inefficiencies of government authorities. Diffusion happens when new ideas are compellingly presented and reinstitutionalization is evidenced by an industry that is taken-for-granted. In addition to a plethora of hospitality training programs, the INFRATUR/FONATUR CIPs are now imprinted on Mexico's main tourism mechanisms (Aldrich & Fiol, 1994; Dacin et al., 2002). The federal government continues to invest heavily in tourism infrastructure and mega-projects, such as $45 million for seaports to promote maritime tourism in the Sea of Cortés (Leon Diaz, 2005) and $50 million for residential tourism towers at a site called Tajamar-Puerto Cancún (FONATUR, 2011). However, rather than deterministic, linear or clean, the outcomes are a series of possibilities, some excluded and discarded while others are embraced and implemented.

Other examples of implementation provide scope for further research. The primary documents consulted are now publicly available at the Universidad del Caribe (Cancún) and provide a wealth of information to study other sites. For example, Ixtapa (Mexico) benefited from a $22 million World Bank loan and could be compared to Cancún's processes and politics. Broader still is an analysis of infrastructural investment to catalyze tourism in countries other than Mexico, and especially the public cost-benefits of risk-reduction strategies offered to private investors. In the thirty-five years since 1971, the World Bank lent a total of $4.4 billion to finance over 160 tourism or tourism-related projects worldwide (WB., 2008), and tourism investment often receives incentives.

Numerous tourism planners and academics designate Cancún for replication (Ayala, 1993, 1996; Bosselman, Peterson, & McCarthy, 1999; Judd & Fainstein, 1999; Manning & Dougherty, 1995). While there are normative and prescriptive lessons, like any institutionalization, much was a unique confluence of agents and historically accreted structures. The case of Cancún and the Mexican central bank is interesting because the powerful myth that is still embraced, but also the empirical example of industry emergence that is difficult and rare to isolate, more so in nations with historically high inequality and little data. Cancún makes for a perfect experiment because it was built as an integrated project in an area with scant pre-existing industry and population. Furthermore, it is a rare glimpse into the (often vicious) interplay between political agendas and monetary policy.

Acknowledgements

An enormous debt is owed to Eduardo Turrent Diaz, the official historian at the Banco de Mexico who communicated me with Pedro Dondé Escalante, one of the original planners of Cancún and the guardian of invaluable documents on the origins of Cancún. I also thank Dr. Irene Herremans for her numerous re-reads and important comments on this study as well as Arne Heayn. I would be remiss if I did not thank the reviewers for their invaluable observations and recommendations.

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