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The Balearic tourism empire, where “the sun never sets”

Interview with Joan Buades and Macià Blázquez

By Ernest Cañada

www.albasud.org | info@albasud.org

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The seminar “**Entre Baleares, Centroamérica y El Caribe: luces y sombras en la construcción de paraísos turísticos**” was held in Managua in February 2009, and organized by the Balearic Islands University (UIB) Research Group for Sustainability and Territory (known under the Catalan acronym GIST), the Fundación Prisma and Alba Sud. This initiative was also supported by the Sustainable Tourism Degree Programme of the National Autonomous University of Nicaragua (UNAN-Managua). Attended by university professors, researchers and activists from civil organizations based in Nicaragua, Costa Rica, El Salvador, Guatemala, Mexico and Spain, the encounter explored the characteristics of the Balearic tourism model and its consequences, as well as the threats generated by the main Balearic “sun and sand” hotel chains in their accelerated expansion process into other regions around the world. The seminar was moderated by Joan Buades and Macià Blázquez, who work as professors and researchers of the GIST. In our interview with them, they discussed some of the main contents of their expositions.

Joan Buades (Majorca, 1963) is a critical researcher in tourism, environment and globalisation and a member of the UIB’s GIST. As a representative of the Els Verds (Green Party) in the Balearic Islands Regional Parliament between 1999 and 2003, he was one of the driving forces for ecological taxation on tourism, known as the “ecotasa” or “ecotax”. His published works include the books *On brilla el sol. Turisme a Balears abans del Boom*, Res Pública Edicions, Ibiza, 2004; and *Exportando paraísos. La colonización turística del planeta*, La Lucerna, Palma, Majorca, 2007; as well as the article “Dessalar la Mediterrània? De quimera, negocis i béns comuns”, in *Scripta Nova. Revista Electrónica de Geografía y Ciencias Sociales*, University of Barcelona, Vol. XII, No. 270 (30), 1 August 2008. His most recent book, *Do Not Disturb Barceló. Viaje a las entrañas de un imperio turístico*, Icaria Editorial, Barcelona, 2009, is currently in press.

Macià Blázquez (Madrid, 1965) is a professor of geography at the UIB. His primary area of research is regional and tourism planning, with special emphasis on the sustainability of natural areas. As a member of the GIST, he works alongside researcher Iván Murray at the UIB, to direct the Sustainability and Territory Observatory (Observatorio de Sostenibilidad y Territorio, OST), an organization conceived for the study of sustainability indicators. He is the Director of the Grupo Balear de Ornitología y Defensa de la Naturaleza (the nature conservation group known as the GOB). His recent publications include the following papers: “Las huellas territoriales de deterioro ecológico. El trasfondo oculto de la explosión turística en Baleares” (co-published with Iván Murray and Onofre Rullán) in *Geo Crítica / Scripta Nova. Revista Electrónica de geografía y ciencias sociales*, University of Barcelona, 15 October 2005, Vol. IX, No. 199; “Los espacios naturales, «el mango de la sartén va al otro lado»”, in *Scripta Nova. Revista Electrónica de Geografía y Ciencias Sociales*, University of Barcelona, 1 August 2007, Vol. XI, No. 245 (37); “Auditorías ambientales de destinos turísticos: diagnosis territorial para el desarrollo de Agendas 21 locales”, in *Cuadernos de turismo*, No. 8, 2001, pp. 39-60.

Further information on the GIST:

<http://www.uib.es/es/investigacion/grupos/grup.php?grup=SOSTENTE>

With just over one million inhabitants and an area of less than 5000 km², the Balearic Islands are a powerful business card for multinational tourism development corporations. In less than four decades, the number of visitors has multiplied by 40, exceeding 13 million annually. This comprises 1.2% of all international tourism. Thanks to the steadfast commitment to tourism and residential construction, the per capita income in the islands far exceeds the Spanish average, and the standard of living shows record heights of consumption in Europe.

All the same, this macroeconomic success does not represent an improvement in the quality of life for the local society. The abandonment of agriculture and the industrialisation of tourism in every corner of the archipelago, along with the dependency on the financial highways of economic globalization, have led the Balearic Islands into a critical state of affairs. Their ecological footprint is unsustainable, social degradation and the deterioration of work conditions are extreme, and democracy is eroding due to the constant pressure placed on the public powers by the multinational corporations.

Over the past two decades, environmental degradation, the loss of business opportunity thanks to oversaturation, and to a certain degree, greater levels of public control due to a significant increase in social pressure, have sent many hotel groups and regional realty groups running to other parts of the planet. Along with the new agents of the speculative world economy, companies such as Sol Melià, Barceló, Riu, Iberostar, Fiesta, Piñero and Hidalgo are determined to reproduce abroad the same model of intensive land and landscape, natural goods and community exploitation that they established in the Balearic archipelago in the 1950s, in the middle of the Franco dictatorship. The Caribbean, Mexico, and Central America, increasingly, have become the preferred destinations of these investments.

How has tourism evolved in the Balearic Islands?

Macià Blàzquez: It has been vertiginous. In 1955, the Balearics received less than 190,000 tourists, whereas in 2008 we surpassed the 13 million mark. According to the data from 2008, most of our tourists are German (32%), British (27%) and Spanish (22%). Initially, we primarily accommodated sun and sand hotel tourism, yet the gamut has gradually expanded to include other types of tourists, always as a consequence of the addition of new products: golfers, cyclists, spa goers, rural tourism lovers, equestrian aficionados, nature lovers, retired people, financial speculators, hooligans, money launderers and traffickers of all kinds, and

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the list goes on. And inevitably, their impact on the land, the environment and the social fabric is increasingly deeper. Recently, the greatest change came with an intensified interest in properties for sale, with speculative financial goals: the acquisition of real estate to “launder” undeclared income, evading taxes through speculative purchases, accumulating business profits while maximising yields or simply for a peaceful retirement where the sun shines most of the year round.

Thus, entrepreneurs could maximise their profits while turning a blind eye to long-term sustainability. As of today in the Balearic Islands, hotel owners are now converting their obsolete and extremely well amortised lodging establishments into low-quality substandard homes. These structures are the leftovers of the tourist enclaves, the remains of rundown areas, with derelict constructions where there was never any planning for the installation of schools, welfare centres, health centres or public sports facilities.

How important are the Balearic Islands in the scheme of the international tourism industry today?

Joan Buades: They are very important. If the tourism industry can claim to be the number one sector of the international economy, by generating more than 10% of the Gross World Product, we have eight Spanish multinational corporations among the top 70 in the world, and five of those companies were born in the Balearic Islands. Spain’s incorporation into the European Union in 1986 favoured the influx of foreign capital (direct foreign investment, which went from 355 million dollars to nearly 133 billion), capitalising the country’s hotel chains and in turn projecting them to international investment. Taken individually, the five big chains are as follows, in order of size: Sol Meliá (ranked 15 in the world), Barceló (24), Riu (27), Iberostar (31) and Fiesta (69). In all, these five hotel chains have more than two hundred fifty thousand rooms in some seven hundred hotels, most of which are located outside of Spain.

Now that the resources of the Balearic Islands are dried up, they are expanding their model overseas, in a sort of Latin American “recolonisation”, joining forces with airline companies, travel agencies, tour operators, development companies, realty speculators and financial institutions to exploit Latin America, to form corporations or multinational enterprises. The main hot spots for business are Mexico and the Caribbean, the USA, the hotel and catering industry in the cities of the European Union, and the coastal spas in the Mediterranean (including Morocco, Turkey, Italy, Croatia, Bulgaria and Cyprus). If we consider these companies in association with their business alliances in the sector, their

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importance becomes extraordinarily manifest, given the ties between Sol Melià and Wyndham (the world's number-two multinational hotel corporation) and the control of TUI (which ranks 13th in the world) by the Riu/Fiesta-Sirenis consortium and the Valencia-based Caja de Ahorros de Mediterráneo (CAM).

Bearing in mind that the Balearics are an island region that passed the one-million-inhabitant mark less than three years ago, the international expansion of the region's multinational tourism corporations is truly a story of global success. In leading tourism regions around the world, such as the Dominican Republic and the Yucatan Peninsula, Cuba and the Canary Islands, the veritable lords of the economy are in fact these multinationals, allied with the financial speculative investment networks that represent turbo-capitalism.

What was the key to success for some of these Balearic-born hotel chains, such as Sol Melià, Barceló, Riu, Iberostar and Fiesta, which have come to position themselves so high up in the ranks of the sector's multinational corporations?

Joan Buades: Despite the hagiographies and praise they have received in the financial press and among the higher authorities of the Spanish state, and despite the fine distinctions, the underlying key resided in knowing where to be and when to be there, with the necessary friends so that their businesses would prosper without having to worry about democratic, environmental or social regulations of any kind. In fact, all of these companies are the results of symbioses with the successful British and German tour operators of the '60s and '70s, which were actively supported by the Franco dictatorship. The advent of democracy and the growing transparency of the landscape costs, along with the new-found union rights for workers drove these companies away, first to the Canary archipelago and as of the mid 1980s, abroad, starting with "safe" places like the Dominican Republic and Suharto's Indonesia.

Their "business culture" is typically neoliberal: they are indifferent to the democratic or non-democratic nature of the countries in which they settle. All they ask is that the governments of those countries allow them to conduct their business without getting involved in any way and that social peace be guaranteed, so that the hotels can operate trouble-free and nobody will ask them to take the profits they have made in these places and reinvest them in human development or environmental conservation. In fact, their internationalisation is not uniform around the globe, but rather, with the exception of the United States (with a particularly significant position of Barceló), the geography of their location is largely tied to the creation of high-yield neoliberal "business streaks", as a result of

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the alliance with financial and governmental lobby “friends”. Those allies manage to shelter their business projects from public debate regarding their advisability or inadvisability in terms of real profits for the communities, democracy and the environment. Rather than “innovating”, they have persistently set their sights on growing larger in whatever markets they could easily enter, by simply cloning their primitive Balearic enterprises abroad.

You were saying that at the start of the Balearic tourism boom in the 1960s there were clear connections between the local bourgeois founders of the large hotel companies and the high officials of the Franco dictatorship. Could you describe those relations?

Joan Buades: There is documentary evidence of an alliance among different political clans of the Franco regime, “opportunistic” local entrepreneurs who had close connections with the regime and the tour operator industry, particularly in the UK and Germany. Majorca became the Spanish tourism goldmine and the international business card of the “new” development-oriented Spain as of the late 1950s. It was an isolated geographical area that was easy to control and far removed from the major industrial areas that were more susceptible to a resurgence of rebellious labourer movements. Moreover, it was equipped to enable the creation of a mass tourism market with no legal regulations in terms of urban planning, the environment or social or workers’ rights.

Moreover, the City of London’s conversion into the quintessential tax heaven as of 1957 opened up a window of financial opportunity for those extraordinarily interested in managing investments in places that were “safe” to launder undeclared money, as there was no danger of double taxation or the foreign repatriation of profits. The system was equally profitable for Northern European tour operators who were not subject to any sort of financial control (acting as borrowers of liquid money for the construction of hotels and apartments in Mediterranean Spain) and a number of unscrupulous local entrepreneurs who knew their terrain extremely well and were happy to “offer” their services in this initial phase, to represent the interests of the foreign wholesalers, while involving the high authorities of the dictator’s regime in their businesses. Such was the case of the Riu group, the initial success of which was tied to the Güell family name, one of the most famous Catalan collaborationists with the Franco regime; and the Fluxá family, of the Iberostar group, one of the pillars of the Majorcan fascist extreme right in 1936 and tied to Juan March, the island’s famous tycoon who funded the military uprising of 18 July 1936.

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What enabled Balearic capital, which initially was relatively insignificant in comparison with the German or English capital involved in these first deals, to improve its business position? To what degree can this “success” recur in other regions that Balearic capital is now penetrating? Can this sort of business history repeat itself?

Joan Buades: For the construction of hotels and other accommodation facilities, the capital was predominantly provided by both the Northern European tour operators with connections with the City of London and by Spanish and regional banks that were on the lookout for business opportunity. Such was the case of Banca March, Banco de Crédito Balear (the Balearic Credit Bank, which was also controlled by Juan March) and Banca Matutes (the Ibizan version of Banca March). While the tour operators sent the funds to pay for new hotels and apartments in exchange for preposterously and consistently low prices for their tourism product, the most experienced members of the local bourgeoisie were stockpiling “chunks” of land so as to gradually “develop” a real estate investment boom, particularly on the coast. As always, the hotels acted as an advertising lure, yet from the start the big business resided in the “increase in value” of the region, the islands’ unique Mediterranean landscape. What the Caribbean and Mexico have been undergoing since the 1990s is very similar to the growth of the 1950s and 1960s in the Balearics. In fact, it is the local entrepreneurs with no sense of community who are pulling it off. They synergise with the foreign multinational corporations and their allied governments to exploit the region’s beauty in the short term while the majority of the people see that these acts have already been perpetrated and therefore have no other choice but to accept them. As occurred in the Balearics, the honest small and medium-size entrepreneurs who are proud of their community paradoxically become a problem for the pillage of the multinational corporations and their local collaborators.

What shape is the internationalisation process of the Balearic tourism companies taking? Why is this expansion process into other countries occurring? What is causing it?

Joan Buades: It is crucial to understand the synergy that has brought the multinational tourism corporations together with the speculative capital networks connected with the global criminal economy. Since the mid 1990s, with the creation of the WTO and the establishment of the GATS (the general agreements for the mass liberalization of services) and the extreme deregulation of the capital markets, the hotel and construction industries have become one of the privileged destinations for the enormous flows of capital of obscure origin that circulate each day via the Internet and tax

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heavens. The Balearic multinationals have managed to make use of these generous monetary highways because they have not asked ungainly questions as to the reasons behind the keen desire to invest in condo-hotels, resorts and adjacent complexes (ranging from malls to luxury yacht marinas).

The result is spectacular: despite the small size of their native land, they have been audacious enough to position themselves to receive those opaque financial resources, often less scrupulously than the competition. One extraordinary example of this is the dense network of affiliate or invested companies that the five big Balearic multinationals have set up in tax havens. In the case of the largest, Sol Meliá, it has some twenty-plus companies in places such as the Cayman Islands, the Netherlands Antilles, Panama, Luxemburg and Jersey. The second, Barceló, did not think twice to dive into the creation of the REITS (*Real Estate Investment Trust*, the trendy vehicle for financial speculation in tourism and residential investments), along with speculative lobbies such as Farallon (tainted by their association with Halliburton, one of the major beneficiaries of the recent war in Iraq) and the bank Banco de Santander (the flagship of Spanish financial neoliberalism, with numerous "hideouts" in tax heavens and a dominant position in Latin America), as well as the royal family of Morocco itself (the best possible ally to open a tourism mine like Saidia, in the Rif, without being held accountable for the destruction of the Moulouya wetland). Thus, by investing as little as possible of their own capital, while handling (some speak of "laundering") easy money of unclear origin and persuading governments that are apathetic to the general interest of their countries to agree to conditions that grossly favour the export of profits outside of those countries, the Balearic transnational companies have managed to make a name for themselves in the world.

How has the Spanish state supported this process? What were the mechanisms of such support?

Joan Buades: In addition to their synergies with financial turbo-capitalism, the expansion of Balearic transnational companies was notably reinforced by the Spanish state's withdrawal from its role as a guarantor of the common good, as well as by adopting expansion patterns typical of most multinationals. On one hand, the governments of González, Aznar and Zapatero have favoured the fact that tourism, construction and the financial sector were the figureheads of globalisation and of Spain's most recent economic boom. There has been a virtual renunciation of all public accountability and all social or environmental regulation, and among the major political parties, these sectors enjoy "state policy" protection that shelters them from public debate regarding their actual impacts on

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democracy, social rights and the environment.

What's more, through the Spanish Institute of Foreign Trade (Instituto de Comercio Exterior; ICEX) and the signing of countless bilateral treaties with states such as the Dominican Republic and Mexico, the Spanish state has promoted this new colonisation, where it has managed to help the multinational tourism chains build a "trouble-free" framework for business. For their part, these multinationals are eager to grow in size to position themselves higher and higher in the global ranks. To do so, they resort to expansion mechanisms based more on management than on material investment. Thus, all of the Balearic-born multinational corporations have gradually sold off many of their properties there at home, only to reinvest in new projects in the Caribbean, the United States and the Mediterranean, where the profit margin is far higher and the costs of environmental and social protection, along with taxation, are ridiculously low. This way, they can notably lower their infrastructure and maintenance costs, and specialise in the management of their brands. If things go well, fantastic. If not, it is actually very easy and cheap to leave a country, as their only binding connection is a franchise or a rental agreement. Furthermore, the underlying product of interest is not the hotel itself, but rather the creation of a diverse business cluster, with a residential base (such as condo-hotels) that includes everything from a casino to a marina and a mall, to channel a large project that enables the flow of capital without borders.*

How is tourism related with residential development, which is increasingly more present in many traditionally tourist areas?

Macià Blàzquez: The increase in financial liberalization (the free circulation of capital, financial services and monetary unification, in the heart of the OECD, the WTO, the European Union and the free trade treaties) favours the advanced capitalist countries and the elite. Its key vehicle is commercialisation, which makes the financial speculation of energy, water, food and real estate possible. Capital flows also seek the highest profitability in the tourism real estate business. Thus, they tend to gravitate towards the construction of mega-projects, hotels that amortize in just a few years' time, and the purchase of land plots, properties and real estate. Tourism is good bait for realty investment, as it offers a better image than housing developments, while promising longer lasting and more highly qualified jobs than construction, a constant flow of people who create a business-like, cosmopolitan atmosphere, tax revenue through the taxation of consumption and business profits, and a hypothetical commitment to the conservation of the area and landscape. Moreover, we must not forget that investment in tourism and real estate is

* For further reading on the social and union-related implications of this hotel management model, please see: Ernest Cañada, "Respuesta sindical frente a las cadenas hoteleras españolas", Alba Sud, Colección *Opiniones en Desarrollo - Programa Turismo Responsable*, Article 1, September 2008.

Tourism lodging businesses and commercial establishments open markets and create enclaves to make those markets appealing to real estate investors. Yet a few years later, they move on, in search of greater profits, once their investments have been recovered. In other words, once the plots of land have been sold and the land development "scam" has come to a close.

one of the most highly valued money-laundering tools for the members of the international criminal economy. However, in the struggle to maximise profits in the short term, it is plain to see who fares best: the tourism lodging businesses and commercial establishments open markets and create enclaves to make those markets appealing to real estate investors. Yet a few years later, they move on, in search of greater profits, once their investments have been recovered. In other words, once the plots of land have been sold and the land development “scam” has come to a close.

How do the Balearic Islands exemplify this “residentialisation”?

Macià Blàzquez: The Balearic Islands have been undergoing this “residentialisation” since the early 1990s. The construction sector is now oversized. According to official sources, it generates 10% of the Gross Added Value (GVA) and employs 15% of the active population, although these figures are known to be higher due to illegal labourer employment. Residential construction accounts for 64% of this activity. Direct Foreign Investment in real estate and construction total around 50 million euros a year, and 30% of this money comes from tax heavens. It is calculated that up to 44% of the visitors stay in illegal accommodations that have not received authorisation from the tourism administration and do not pay taxes.

The social drawbacks of “residentialisation” are the increase in housing prices, which have gone up nearly 25% annually, the oversizing of the infrastructures under the auspices of public funding, the loss of qualified jobs and business in the hotel and restaurant sector, the closure of public accesses to the countryside, the loss of cultivation land and the increasingly elitist and exclusivist nature of space. Such elitism is manifest in the eviction of those who do not have access to the estate property, particularly in the areas with the highest environmental quality: the coast, the “quaint” towns, the historic districts of the cities and even the mere countryside, where villas and houses abound. The only areas untouched by this “elitisation” are the slum districts, which are inhabited by the people with the lowest resources, including young people and immigrants. Immigrant groups account for 42% of the population, and are generally understood as comprising the people who were not born in the Balearic Islands.

Environmentally speaking, *residentialisation* brings about intensified consumerism. This is manifest in land use, given the more extensive and inefficient occupation of the land, as 39% of the homes are secondary homes. Consumerism can also be seen in the total energy consumption, 45% of which goes to transport (for shorter and more frequent stays),

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while electricity accounts for another 40%. The massive use of the car is yet another form of consumerism, with more vehicles than inhabitants and more than one traffic-related death a year per 10,000 inhabitants. Water use is also affected, reaching consumption rates as high as 500 litres per inhabitant per day, as a result of mere careless squandering, the watering of gardens and swimming pool maintenance. The problem has reached such an extreme that it is being resolved by increasing energy consumption to desalinate seawater or saltwater, which in fact provides more than 40% of the water supply for the Balearic capital, Palma. Finally, there is also an impact on waste production, with rates of more than one tonne per inhabitant per year, the highest in Spain.

Golf courses are yet another example of this elitist development of the land. Majorca alone (with 3600 km² of arid summer climate) already has 23 golf courses, and 11 more are in the pipeline or currently under construction. Each golf course consumes the equivalent of the water supply for 8,000 inhabitants. More or less the same can be said of the yacht marinas.

How is hotel capital participating in this new tourism supply?

Macià Blàzquez: Today, the hotel corporations are trying to get rid of their properties in the Balearic Islands. The idea is to convert them for use as residences, timeshare units, joint ownership units, or condo-hotels, to sell them to the government for the construction of public equipment or facilities, or to open up public squares. As a consequence, they enjoy the bonus of hypocritical publicity, when in fact they have already super-amortised the development over and over again. The hotel companies' latest "step forward" was the legalisation of their illegal supply, which is three times the legal supply in the case of Formentera (the smallest of the Balearic Islands, with a little over 80 km²), so that later they can most probably get rid of these real properties, by converting them into residential units.

As Joan has explained so clearly, the major hotel corporations are financial capitalists that are out to maximise their profits. They cannot overlook the real estate business, as it has yielded record profitability rates and because their hotel management brands sell. Their connections with real estate companies, albeit temporary, make it easier for them to free themselves of the properties and sell them separately through joint ownership, franchise, branding, management, etc. The result is that the "goose with the golden eggs", as tourism has come to be known, has laid "cement eggs". To such an extreme that the places where urban development in Spain grew the most between 1987 and 2000, with a growth of between 30

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and 50%, was in its tourist coastal areas: the Costa Blanca (Alicante), the Costa Cálida (Murcia), the Costa del Azahar (Castellón and Valencia) and the Balearic Islands. In a word, its sustainable “neutral” or “green” façade is just a big farce!

Though they may not display it, we know of some ties between hotel capital and construction and financing companies. Such was the case of the Barceló business corporation, which was connected with the FCC construction company and the bank institution BBVA via the company Grubarges, until 2003. Miquel Fluixà is a shareholder (5.3%) of ACS, another Spanish construction company, where he sits on the board of directors with Florentino Pérez, the March family (Majorcan financiers) and the “Albertos” (Cortina and Alcocer). For his part, Abel Matutes is a member of The Trilateral Commission and a board member of the bank institutions Banco de Santander and San Paolo, with significant interests in Jamaica, the Dominican Republic and Mexico. Pablo Piñero is a developer in Mexico, the Dominican Republic and Jamaica... Whatever the case, we must note the fact that they are no longer building in the Balearic Islands, but rather in Central America, the Caribbean and Northern Africa!

Considering all of this tourist and residential development in perspective, at this point, how can we assess the overall environmental consequences of this tourism development process in the Balearics, now that its main corporations are investing more in other tourism destinations?

Macià Blàzquez: Tourism brought about a deep transformation of the land, which can be seen in the new extremely oversized urban enclaves, particularly along the coast. The cement footprints have sprawled relentlessly. Before the “tourism revolution” only 1% of the archipelago’s surface area had been developed, whereas with the growth of tourism this occupation has multiplied by six, with rates as high as 1.7 hectares of land that is “sealed” with asphalt and cement each day. This transformation places the Balearic Islands up at the top of the list of the Spanish regions that have suffered the most from the urban development “tsunami”. Whilst the resident population numbers around one million, the Balearic lodging capacity exceeds two million. With more than 40% of the homes empty most of the year, the archipelago has 423,198 beds within regulated tourist lodging establishments, along with an estimated bed count of 50% more in illegal accommodations.

The specialisation in tourism has also given rise to oversized infrastructures, particularly in the transport sector: international airports on the three main islands, which accommodated more than thirty million

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passengers in 2008; cargo ports handling over thirteen million tonnes of goods in 2008; and 200 kilometres of highways and doubled inter-city roads. The infrastructure mega-projects in turn widen the “arteries” that feed the territory. Thus, the power supply has been expanded through electrical power stations (1600 MWh, 80% of which comes from the combustion of South African carbon), and there is now a plan to connect with the continental electrical network, via submarine cable. Saltwater is desalinated, and it now accounts for more than 40% of the water supply for the capital city (Palma). Solid urban waste is incinerated, and in the case of Majorca the amount incinerated exceeds 40%, with the ensuing production of gas pollutants –which intensify the climate change and jeopardise our health, generating higher concentrations of dioxins and furans– and more than 108,000 tonnes (2007) of highly toxic ash and cinder with heavy metals: cadmium, lead, mercury, chromium and copper.

The environmental variables that have seen the greatest change are energy consumption (which multiplied by 98 between 1955 and 2004, reaching 2.9 equivalent tonnes of petroleum per capita per year) and the import of goods (which multiplied by 29, during the same period). The small archipelago of the Balearics, with an area of 4968 km², has an ecological deficit nearly six times its size, according to the ecological footprint calculations developed by Iván Murray, who is also a member of the GIST. In other words, the material and energy consumption and waste production of the Balearic Islands require an area six times their actual size in order to be assimilated by the biosphere. In terms of the total requirement of materials, the Balearic Islands only cover 36.3 percent of their needs with their own natural resources.

And socially speaking, what are the main indicators of the social and community fracture that the Balearic Islands are currently experiencing?

Joan Buades: The Balearic Islands are the perfect example to refute the myth that tourism brings wealth to our societies. Once the first two decades of mass tourism industrialisation had passed, once the local people had begun to come out of the financial difficulties and economic instability that had been forced on them by the Franco dictatorship, the actual welfare of the Islands’ society went into a clear and progressive decline. Despite the fact that macroeconomically speaking, the Balearic Islands are virtually the wealthiest region in Spain, there are key indicators that suggest a decline in the quality of life and general human development. For example, the monoculture of tourism and the hegemony of residential development have not only destroyed the agrarian economy and led us to become completely nutritionally dependent on the outside, but they have also acted as a tremendous demographic magnet: the Balearic Islands have a record

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tourism brings wealth
to our societies.***

population density in Europe, with a population growth rate five times higher than the average for Spain. The culture and the language of the region, Catalan, is on the brink of collapse. The residential trend has made the archipelago a paradise for realty investment, yet the majority of the local people cannot afford to buy a home to live in and the rental prices are prohibitively expensive. The school failure rate among the islands' young people has reached 46%, and we have only half of the university population that would correspond to us according to the Spanish average. Nearly one of every three Balearic residents has a private insurance plan, twice as many as the average in Spain. As to wages, our workers are the worst paid and work the longest hours in Spain. The result is an increasingly more unequal society, with an extraordinary cultural fragmentation, an extremely low social capital and a meagre state of welfare. Amid a generalised economic crisis, the risks of populisms, xenophobia and racism are rampantly on the rise.

And how is the consolidation of such tourism-oriented companies affecting the quality of democratic life?

Macià Blàzquez: Mass tourism is an environmentally and socially unsustainable industry, as it is based on polarisation. This is manifest in the fact that it is impossible for the entire world population to partake in tourism, for example, taking one intercontinental trip each year. The energy consumption alone would be impossible. In this milieu, tourism is based on selfish self-interest, despite its camouflaging with the notion of mutual and cultural enrichment or the fact that the tourist's opulent and wasteful spending of wealth spills over to the benefit of the poor people who serve him/her.

Corporate businesspeople, such as the Balearic entrepreneurs we mentioned before, impose their law with no consideration for democracy. The Balearic Islands are yet another example of the corruption and submission of the public powers to corporate interests, contrary to the people's wishes and the collective interests of the society. Nevertheless, the Balearic community has fought back, standing up to insatiable businesses, through social movements that have kept them a bit more at bay than in less favoured southern regions. All the same, we continue to wonder whether those businesses have left their native land to destroy other places because there was virtually nothing left to exploit, rather than because of the people's resistance...

How sustainable is this model of tourism development?

Macià Blàzquez: It is unsustainable. And inexcusable. It is founded on

The Balearic Islands are yet another example of the corruption and submission of the public powers to corporate interests, contrary to the people's wishes and the collective interests of the society.

continual dissatisfaction through the promotion of consumerist habits and the power of the dominant and wasteful societies over the impoverished ones. Mass tourism does not adhere to the norms of social and environmental justice, sharing or ensuring a common future. As a result, it is not only unfair, but also unsustainable. So much that it drains the regions that it exploits, only to abandon them in the end and to move on, as though they were practising nomadic -slash-and-burn- agriculture, depleting the soil of its fertility after burning the forest. The future of the Balearic Islands is so unsustainable that the tourism corporations are washing their hands of them to move their “monoculture” into new places where they will get quick returns on their investments and then move on again, until there is no “beyond” left for them to exploit.

What resistance initiatives have the people managed to implement in the Balearics to counter this tourism model? What were the main focal points of confrontation and what were their results?

Macià Blàzquez: The protection of the native land and environmental and social justice have indeed stirred up the Balearic society. A small and isolated population, completely devoted to tourism as the only way of life, has now caught a glimpse of its decadence and has therefore rebelled against the corporations’ intended dynamic of completely draining the land and subsequently leaving behind the “waste”. The Balearic society has risen up many times, forcing the public powers to negotiate in favour of sustainability. The greatest balancing pole to this model emerged out of environmentalist groups (particularly that of the GOB), which have challenged the profligacy and unsustainability of those who live their lives with no consideration whatsoever for others or for tomorrow. Some of the most recent protests arose as a result of the avalanche of mega highway projects and housing developments during Jaume Matas’ term of office as President of the Balearic Government, the former Minister of the “Enfrighen-ment” [technically, Environment], with José María Aznar.

The Balearic society has democratically reached a consensus on self-restrictive measures to limit and remedy wastefulness, through institutional initiatives. Thus, it was agreed to implement a number of measures to protect the coastline and natural areas, as well as town planning “moratoria” (to stop growth) and urban density relief initiatives (to tear down obsolete hotels in rundown tourism enclaves). Moreover, an ecotax on tourist overnight stays was established, with the ultimate goal of environmental restructuring, and there was an increase in taxation on natural resources consumption, such as land, urban water supply or waste generation, among others.

The priority is not to out-and-out reject the role of multinational tourism corporations, but rather to find alternative livelihoods that often draw on a certain degree of small-scale community-controlled tourism development, to generate the genuine human development of these societies so that they can become economically, socially and environmentally feasible.

Based on the Balearic experience, what advice would you offer the civil societies of the many impoverished countries that are now facing the start of a tourism boom, often with the presence of these multinational corporations from the Balearics?

Joan Buades: Obviously, tourism can be a tool to improve the standard of life of the affected communities and cannot be flat-out rejected. This would be absurd, as tourism will make its way into many regions around the world anyway. Rather, it is a matter of questioning the scale of tourism-related industrialisation (in the face of macroprojects, it is always better to have a non-intensive development that synergises with other sectors such as local trade and agriculture). The idea is to guarantee mechanisms for the participation and shared decision-making of the local communities in terms of the tourism models to be implemented and to raise their awareness to the fact that the matter at hand is not whether to accept or reject a tourism plan, but rather to consider local and regional alternatives based on the public regulation of the common goods and taxation models that benefit the host communities. The priority is not to out-and-out reject the role of multinational tourism corporations (whether of Balearic or other origin), but rather to find alternative livelihoods that often draw on a certain degree of small-scale community-controlled tourism development, to generate the genuine human development of these societies so that they can become economically, socially and environmentally feasible.

In a word, the people would have to demand financial transparency (putting an end to investments that travel through tax heavens and virtually leave nothing behind in the national treasury) and the regulation of common goods such as water, the land and energy in a manner that favours the local community. The host society would also have to require tourism companies to reinvest a substantial part of the profits in community social welfare projects (basic education, university, health, social services, cultural infrastructure, etc.), and above all, it would have to have the last say when it comes to important decisions. Without more local economic democracy, the multinational tourism corporations will continue to “make countries” (see “Mayan Rivas”, “Guanacastes” and “Montelimares”), with no consideration whatsoever for the local people, the common goods or nature.

Managua, March 2009.

ALBA SUD is a Catalan organization specialised in research and communication for development. Headquartered in Barcelona, the organization has an ongoing presence in Nicaragua, El Salvador and Mexico, and has made Latin America and the Caribbean its priority regions of focus. The organization is primarily devoted to audiovisual production and research within several issue-based action areas: Responsible Tourism; Food Sovereignty; Inequality and Health; Communication for Development, and Education for Development.