The Development Impact of Rural Tourism in Peru's Colca Valley

**Linking Grassroots and Structuralist
Perspectives**

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Abstract

Theories of Latin American underdevelopment have converged on neostructuralist approaches, which aim to promote more inclusive development through diversified economic activities with links to international markets. These include alternative forms of tourism, which are claimed to provide economic benefits to historically marginalised areas while supporting and enhancing traditional livelihoods. This study aimed to assess these claims by taking a broad political economy approach to evaluating the impact of rural tourism in the Colca Valley of southern Peru. Detailed case studies of two contrasting localities were linked with analysis of the wider economic, political and social context.

Field research in one case study area found that tourism had created opportunities for local families with existing skills and resources and had provided useful additional income for others but had involved only a minority of residents. Loss of control of tourism to the regional metropolis and destructive competition had resulted in diminishing returns and general dissatisfaction with the “disorderly” nature of tourism development. In another case study locality, a more cohesive social context and intensive support from external institutions had allowed the planned development of a rural tourism project that emphasised broad community participation, but the low tourist volumes to date were a constraint on progress. Nevertheless, throughout the Colca Valley tourism had contributed to the revalorization of local culture and identity and provided a platform for local self-assertion.

The thesis argues that an appreciation of the wider economic and political context in Peru is crucial to understanding the way tourism has evolved in the case study areas. It suggests that more work to link local, grassroots perspectives with broad structuralist analysis would represent a fruitful research agenda in development studies.

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Chapter 1: Introduction

Development theorists have long recognised that Latin American countries have specific patterns of development and underdevelopment. These patterns are based on a broadly shared colonial history and the long-term position of much of Latin America as part of the “resource periphery” which provides raw materials to the industrialized West. Latin American countries are collectively the most unequal in the world, and there are wide breaches in income, education, health, housing and nutrition, which are often drawn sharply along ethnic and geographical lines (Franko 2006).

During the 1950s and 1960s, Latin American structuralist and dependency theorists developed ground-breaking critiques of modernisation theories which had assumed all countries would follow a common path to development. Based on historical analysis of the external and internal political economy of Latin American countries, theorists argued that existing inequalities and other development problems would be perpetuated in the absence of significant reform or revolution (eg, Prebisch 1950, Frank 1972a, Cardoso & Faletto 1979).

Since the 1980s, orthodox structuralist and dependency theories have largely been superseded by a broad set of perspectives grouped under the heading of “neoliberalism” (Gwynne and Kay 2004, Leiva 2007). Neoliberalism continues to be concerned with structural issues of underdevelopment such as low wages, social inequality and geographic marginalization. However, it is more optimistic about interaction with the international market economy, given success of a number of “peripheral” countries, mostly in East Asia, in achieving steady economic growth with relative equity. Neoliberals see the role of the State as steering economies towards greater competitiveness (Sunkel 1993). They are also more likely to take account of indigenous, feminist and environmental critiques of the vision of development as implying large-scale industrialisation and consumerism, which had been generally shared by both structuralists and *dependentistas* with modernisation theorists.

A common objective of policy makers working along broadly neoliberal lines is to promote the development of “non-traditional” activities that have links to international markets but differ from traditional extractive industries in having a greater value-added component, having greater forward and backward links to the

local economy, or being more accessible to the poor and marginalized (Murray and Silva 2004, Campodónico 2009). Tourism has obvious attraction for its potential to bring the resources of the international market directly to poor and marginalized areas. But it is the conceptual evolution of “sustainable”, “eco” and “responsible” tourism that has turned tourism from an economic activity blacklisted from development projects by the World Bank in the mid-1980s to one of the most widely promoted alternatives for grassroots development (Honey 2008).

Proponents of alternative tourism claim that it can simultaneously bring economic benefits to the marginalised, protect and preserve natural resources, and revalorize traditional livelihoods. Critics have pointed out that tourism projects have tended to privilege Western views of sustainability and crowd out existing uses of resources by local people (Barkin 2002, Udhammar 2006). However, the recent movement towards “rural community tourism” in Latin America in particular promises to make support and improvement of local livelihoods a central objective (ILO 2001).

There is an evolving body of literature on the links between tourism and development. However, in focussing narrowly on “models” of tourism or the “responsibility” of tourists and tour operators, this literature often overlooks the wider historical context of underdevelopment. On the other hand, structuralist and dependency theories have tended to focus on the national level and on impersonal political and economic forces. They provide little insight into how individuals and groups can make positive changes and how more inclusive development might get *started*.

1.1 Aims and objectives of the thesis

This thesis aims to unite these theoretical streams by taking a broad political economy approach to evaluating the development impact of tourism in the Colca Valley in the southern Peruvian Andes. It incorporates local perspectives through detailed case studies, while placing these in the context of wider economic and political structures. By including both the grassroots strategies of individuals and groups, and the structural constraints they face, it seeks to understand the extent to which alternative forms of tourism can create opportunities for change.

The central question presented in the thesis is:

What role can alternative forms of tourism play in promoting more inclusive development in Latin America?

Underlying this question are the following specific questions about the case study areas. The empirical question of “impacts” is framed both by historical-structuralist analysis and acknowledgement of potentially diverse views on development:

- 1) What economic, political, social, cultural or other factors have influenced the evolution of tourism in the case study areas?*
- 2) What have been the impacts of tourism to date and to what extent has it contributed to the reduction of poverty and sustainable development?*
- 3) What expectations do different stakeholders have of tourism and what is their vision of its contribution to development?*

The following chapter charts the course for addressing these questions by setting out the methodological approach of the thesis.

Chapter 2: Methodology

This chapter describes the methodological approach of the thesis. The first section establishes the epistemological framework of critical realism and describes the broad political economy approach of the thesis. This leads on to a description of how the case study areas were chosen, the specific methods used, and the field research undertaken. The final section provides a guide to the structure and style of the rest of the thesis.

2.1 Theoretical framework

2.1.1 Critical realist epistemology

The epistemology governing this thesis is best described as critical realism, as elaborated by Bhaskar (1979). “Critical realism” is an elision of transcendental realism (Bhaskar's adaptation of Kant's philosophy of science) and critical naturalism (Bhaskar's extension of this philosophy to the social sciences). Critical realism has an ontological as well as epistemological dimension – it asserts that “things” exist. These include social structures and processes – although they are likely to be more complicated than entities studied in the natural sciences. While our way of knowing them is mediated by our thought structures, narratives, or cultural frameworks, it is possible to improve our knowledge (or to regress). From my perspective, this epistemology occupies a useful middle ground between naive empiricism, which is blind to the values and theoretical assumptions built into its data; and post-structuralist / postmodernist approaches, whose resistance to any “grand narratives” risks leaving them impotent to criticise existing structures or to develop an “emancipatory project”.¹

2.1.2 Political economy approach

In terms of methodology, this thesis takes a broad political economy approach. As defined by DFID (2009), this covers: “the interaction of political and economic processes in a society: the distribution of power and wealth between different

¹ Critical realism also considers the question of agency. Agents have causal power in the production and reproduction of social relations. However, they are constrained and partially determined by inherited social structures.

groups and individuals, and the processes that create, sustain and transform these relationships over time” (p.4). In Marxist terms, it is concerned with the control and use of the means of production, the appropriation and distribution of the surplus, and the way these economic processes interact with political, social and cultural processes. While my interpretation of this approach is sympathetic to the Marxist emphasis on control of the means of production, it acknowledges the importance of other dimensions of power including those related to gender, culture and ethnicity. It also recognises that political, social and cultural processes are interdependent with economic processes but not reducible to them, and are themselves able to bring about change (see Cardoso & Faletto 1979, Friedman 1984)

This approach has implications for how research in development studies is conducted and presented. As expressed by Collinson (2003):

A political economy approach should incorporate a wide historical and geographical perspective, explain why the relative power and vulnerability of different groups changes over time, and explain how the fortunes and activities of one group in society affect others. The view that it encourages is therefore *dynamic, broad, longitudinal and explanatory* (p.3, author’s italics).

With regard to the overarching topic of underdevelopment in Latin America, the thesis is positioned within the broad tradition of original and historiographical writers on Latin American structuralist and dependency theories (eg, Prebisch 1950, Frank 1972a, Cardoso & Faletto 1979 [1967], Friedman 1984, Kay 1989, Gwynne and Kay 2004). It follows the principles of Cardoso and Faletto (1979) who argue that in studies of development historically-based theory should precede and frame empirical investigation or measurement. Empirical data can provide useful evidence, but they “have to be interpreted in the historical-structural context” (1979, p.xiii). This tradition is to be distinguished from modernisationist theories of underdevelopment in their various stripes, including well-meaning but ahistorical works such as Sachs (2006) as well “culturalist” perspectives such as those of Harrison (1986).²

² The latter theoretical tradition in particular is pernicious but its claims that individual “values” are the cause rather than the result of structural inequalities breaks down under close examination (see Cockcroft 1972)

The thesis is also influenced by contemporary ethnography on Andean Latin America (eg Paerregaard 1997, Gelles 2000, Weismantel 2001, Mitchell 2006) which both recognises the ongoing reality of a distinctly “Andean” culture and world view while emphasising hybridity, diversity and differentiation at the level of individuals and groups.

2.3 Research methods

2.3.1 Choice of case study areas

The choice of the case study areas related to the need within Master's level research to opt for an area of “comparative advantage” where the researcher and / or supervisor already has contacts or experience. I had previously spent some time in the Arequipa region of Peru and had observed the operation of the local adventure tourism industry through friends who owned a small business in this area. I came to see how the possibilities and problems of tourism to the Colca Valley in the rural sierra of Arequipa reflected wider issues of development and underdevelopment in Peru and Latin America.

The idea of undertaking research into tourism in the Colca Valley gradually solidified during Master's Part 1 papers in development studies. However, given that the whole valley has a population of 40,000 and sees about 150,000 tourist arrivals per year, the inclusion of rich and detailed local perspectives required a tighter focus. The districts of Cabanaconde and Tapay in the lower valley appeared to be suitable for a case study: they were of manageable size; I had visited them before and had some contacts there; and they were peripheral areas that attracted an alternative mode of tourism based on trekking.

In 2009, I visited the area again to scope the research and gain approval from government, NGO and academic stakeholders. While discussing my plans, I learned of the “rural community tourism” project in the district of Sibayo in the upper Colca Valley, a place I had not visited before. I was aware that the upper valley was different in a number of ways from the areas I knew; in addition, the planned and theory-laden nature of this project contrasted with the spontaneous and informal development of tourism in Cabanaconde and Tapay. I thus decided to incorporate Sibayo into the research and bring a comparative dimension to the case studies.

2.3.2 Summary of field research

I undertook field research over four months in Peru between March and July 2010, moving back and forth between the regional capital of Arequipa, the provincial capital of Chivay, and the case study districts of Cabanaconde, Tapay and Sibayo.

³ In preliminary investigation I identified three major groups of stakeholders:

1. Small business proprietors, local authorities and community members in the case study areas
2. State and non-governmental institutions involved in tourism and/or development in the Colca Valley
3. Urban tour operators and travel agencies.

I used an iterative snowball approach to identify individual stakeholders. This was assisted by the fact that the main institutions working to link tourism and development had formed a Tourism Technical Committee that met monthly in Chivay (I attended meetings on 27 April and 9 July). I obtained further general background at a two-day conference on “The Municipal Management of Tourism” in Chivay on 25—26 April.

Within the case study areas, I aimed to engage with the majority of those directly involved in tourism as well as key political and civil society representatives. Although I did not achieve complete coverage of small businesses and local authorities in the case study districts, there was strong convergence on general themes and concerns among participants. I am confident that more exhaustive coverage would not have significantly changed the issues discussed in the thesis. Section 1 of the References chapter provides a full list of research participants whose perspectives were included in field notes. This provides a numerical key for participant quotes in the text, which are referenced as “RP” (research participant) along with the corresponding number.

I gained additional information from general participant observation, simply “hanging out” and talking to as many people as possible. I spent a couple of days in Cabanaconde working in the fields harvesting corn, which gave me some

³ Chivay is three hours by bus from Arequipa. Sibayo is one hour by minivan from Chivay. Cabanaconde is three hours by bus from Chivay or six hours directly from Arequipa. Localities within Tapay are a minimum of a further three hours on foot from Cabanaconde. See Fig 7.1

insight into the agricultural cycle and the type of work undertaken by the majority of the community. I attended and participated in the most important fiestas of the year in Sibayo (fiesta of San Juan, 22—24 June) and in Cabanaconde (fiesta of the Virgen del Carmen, 14—18 July). I also undertook an on-foot register of businesses and services in the villages of Cabanaconde and Sibayo.

I designed and carried out a survey of travel agencies in Arequipa that had offices in the city centre and that advertised tours to the Colca Valley (see Appendix 5). I was able to survey 41 out of what I estimate to be approximately 75 agencies in this category. The survey was a written one, with eight questions. I delivered it by hand and provided any necessary explanation of the questions as the respondent filled it out – thus privileging consistency of response over completeness of survey coverage.

I also managed to obtain additional secondary material while in Peru. I visited the office of the National Statistics Institute in Arequipa and obtained CDs with detailed data on poverty and other development indicators. I was able to obtain original documents, presentations, plans and reports from a number of the institutions as well as a CD containing all the presentations from the April 2010 conference on The Municipal Management of Tourism.

2.3.3 Use of mixed methods

Taking a broad political economy approach implied the use of both qualitative and quantitative methods. To understand local experiences and perspectives on development and tourism, qualitative methods were required. Other concerns of the research, including the nature and scale of material changes, economic distribution, and the underlying sources of conflict, required quantitative analysis.

I used semi-structured interviews as the primary qualitative method of engaging with participants. With institutional representatives interviews followed a relatively structured pattern (see Appendix 4). Within the case study localities, I aimed to use ethnographic interviewing techniques, with open-ended questions (see Appendix 3) seeking what Emerson, Fretz and Shaw (1995) refer to as “indigenous meanings”. In this context, I aimed to undertake interviews as a “traveller” rather than a “miner” (Kvale 1996). While “miners” seek information in terms of pre-established categories, the “traveller” approach to interviewing

produces what Heyl (2001) describes as:

a route that may be planned ahead of time but will lead to unexpected twists and turns as interviewer-travellers follow their particular interests and adjust their path according to what those met along the way choose to share (p. 368).

I gained substantial quantitative information from more “mining” oriented questions within participant interviews, such as when participants had started their business, how many clients they received from which sources, how much they earned, and so forth. I obtained further quantitative information from direct observation, such as estimating the number of trekking tourists in the Colca Canyon in different months. I also utilised secondary sources including Census data and data from the Autocolca authority on tourist volumes.

In most cases, the direction of quantitative analysis was determined by theoretical-historical narratives emerging from qualitative research. For example, I decided to undertake the travel agency survey after participants in Cabanaconde and Tapay repeatedly complained about the control of tourism exerted by the “agencies from Arequipa”. Similarly, I undertook painstaking analysis of Peruvian Census data based on the apparently different migratory trends described by participants in the different case study areas.

2.3.4 Presentation of primary research and use of quotations

I undertook approximately 45 semi-structured interviews and the perspectives of more than 70 participants were represented in field notes (see References). This does not count the 41 travel agencies where I applied the survey, the presentations and discussions at the “Municipal Management of Tourism” conference, or information gained from participant observation. As a result of the breadth of the research and the time limitations, I decided at an early stage not to use voice recordings (after having used them with four participants). I instead wrote jotted notes during interviews, adding additional notes following informal conversations and participant observation.⁴ Where a participant comment or phrase seemed particularly salient I marked it as a direct quote in my notebook.

⁴ This method ultimately occupied three notebooks, which, transferred to electronic form, ran to 30,000 words.

Therefore, in the chapters on primary research, quotes are mostly brief, of one or two lines. However, it should be noted that, unless otherwise stated, the narrative descriptions in chapters 7 and 8 are all based on primary research. These constitute “thick description” (Geertz 1973) in that they weave together narratives of different participants, information gleaned from casual conversation, and direct observation. During interviews with participants in the case study areas, I usually began with an open-ended request for historical narration (eg, “tell me a little about how you began this business”). The notes I took aimed to capture key elements of the participant’s narrative (what happened and when), but these did not always constitute quotable material. Further, some of what I report is not drawn from interviews but attempts to, as Bosk and Vries (2004) put it, “hang around in this particular neighbourhood and try to figure out what is going on among these people”. For example, the general distrust of political and bureaucratic institutions because “they all steal” was literally, *just something that everyone said*.

In addition to time considerations and an awareness that voice recording could be more intrusive, I was aware that extensive use of recordings would exaggerate the existing bias towards the more confident participants who had a lot to say (generally middle-class, urban, educated, and lower valley residents) over those who were more reticent (generally poorer, rural, upper valley residents who spoke Quechua rather than Spanish as a first language). Such bias could be mitigated in targeted follow-up research but this would have been difficult within the broad approach taken for this thesis.

Finally, as the reader will note, I have tried to maintain participant anonymity throughout the text. Most people were happy to be interviewed, waved away concerns about which of their statements should be printed, and in a couple of cases, *insisted* that I include specific opinions. However, participants will not necessarily anticipate how their statements will be presented, juxtaposed or analysed. I have acted as if the thesis will be read by the participants and their communities and have tried to be particularly discreet when presenting situations of conflict, which were numerous. Many participants do not have email, making it difficult to obtain explicit approval for the way their contributions are presented. However, as part of what I hope will be a translation process I plan to re-visit and consult with participants on the acceptability of their representation in the thesis.

2.3.5 Language

All the interviews and conversations were undertaken in Spanish. This was the first language of the majority of participants, although many of the participants in rural areas were bilingual in Spanish and Quechua, and a few of the participants in Sibayo and Tapay spoke Quechua as their first language. In most cases, I present quotations in English: unless otherwise stated, these are my own translations. However, in a number of cases in both quotes and descriptions I also use the original Spanish word or phrase where it has subtlety, specificity or colour not fully captured by the English translation. In a few cases I use the Spanish expression repeatedly (for example, *casas vivenciales*) given the absence of an elegant English equivalent. All Spanish and Quechua words and expressions are explained in the glossary (Appendix 2). Throughout the thesis, currency values are expressed in Peruvian *nuevos soles* (written S/.). A conversion table is provided in Appendix 2.⁵

2.4 Structure of the thesis

Given its aim to unite structuralist and grassroots perspectives on underdevelopment, the thesis has a zoom in / zoom out quality in both the secondary and primary research sections. In terms of order, the principle is that *history is primary*. The secondary research begins with a review of Latin American and Peruvian underdevelopment, which tells a historical story, before relatively more localised literature on tourism is introduced in chapter 5. However, in the primary research section, localised histories of the case study areas come first, followed by a “zooming out” to present institutional stakeholders and their theories in chapter 8.

This chapter is followed by three literature review chapters that bring together the two streams of secondary research. Chapter 3 provides the historical background for the thesis through a review of the literature on Latin American development and underdevelopment. Chapter 4 looks in more detail at the specifics of historical underdevelopment in Peru. Chapter 5 introduces the other stream of background literature, on alternative forms of tourism.

The next three chapters present and discuss the primary research. Chapter 6

⁵ In brief, values should be approximately doubled for NZD and tripled for USD.

introduces the local context for the research, providing a summary of the geography and history of Arequipa, the Colca Valley and the case study localities. Chapter 7 provides a descriptive summary of the research findings, covering the history of tourism development in both case study localities. Chapter 8 describes the role of urban tour operators, the Autocolca tourism authority and other institutions working to link tourism and development in the Colca Valley. Chapter 9 reflects on the research findings, considers their wider significance, and evaluates the extent to which they address the key questions of the thesis.

Finally, chapter 10 sets out the overall conclusions. The first section concludes the theoretical academic discussion by addressing the key questions presented in the introduction. A second section makes some recommendations directed at the institutions working to link tourism and development in the Colca Valley. The final section identifies some areas for possible future research.

Chapter 3: Underdevelopment in Latin America

This chapter provides an overview of underdevelopment in Latin America. The first section presents a *prima facie* case that there are specifically Latin American issues of underdevelopment. The following section traces the emergence of structuralist and dependency theories, which argued that underdevelopment was a systematic result of the way Latin American countries were inserted into the global economy. This leads into a discussion of neostructuralism, which retains many of the insights of structuralism while taking different perspectives on the role of the State and the potential offered by the global economy. This sets the context to look in more detail in following chapters at development issues in Peru, and the claimed potential of alternative forms of tourism to provide more diversified or pro-poor economic opportunities.

3.1 An overview of Latin American underdevelopment

Although Latin American countries mostly fall in the mid-range of the United Nations Human Development Index (HDI), they are widely acknowledged to have unique and complex problems of underdevelopment. Perhaps the region's most prominent feature is its very high levels of inequality. Based on the Gini index, which measures the distribution of national income at the family level, Latin American countries are among the most unequal in the world. Of 141 countries with a Gini index calculated during the period 1992—2007, 12 of the 20 most unequal are in Latin America, while *all* Latin American nations are in the top third of the most unequal countries (UNDP, accessed January 2010).

These high levels of inequality within middle-income Latin American countries mean that absolute levels of poverty are comparable with countries that are “poorer” on average. For example, the average income of the bottom 20 percent in Colombia is less than half that of the bottom 20 percent in Vietnam, despite the fact that Colombia's national income per capita is 2.5 times that of Vietnam (Pogge 2008).

The dynamic characteristics of Latin American development strengthen the view that this region merits special attention. Free from direct colonialism since the 1820s and not involved in major or sustained external warfare, Latin American countries have nevertheless fallen further behind the wealthier nations. According

to one estimate, in 1870, GDP per capita as a proportion of the United States was 63 percent in Argentina, 65 percent in Brazil, and 37 and 34 percent in Peru and Chile respectively. In 1989, GDP per capita in all of these countries was less than 30 percent that of the US; in Peru it had dropped to 17 percent (Franko 2006). Latin America's progress has also been poor compared to some other developing nations. In 1950, the GDP per capita in Taiwan and South Korea was a third of that in Argentina and half that of Mexico. By 1990, the GDP per capita in both Asian countries was higher than any Latin American country, while they also had some of the most equitable income distributions in the world (Jenkins 1991).

Other factors which mark out Latin America include the continent's high level of urbanization combined with high levels of unemployment, underemployment or self-employment in the "informal" service economy. Between 1970 and 2000, urban population increased as a proportion of total population from 57 to 75 percent, and Latin America is projected to be the second most urbanized area in the world by 2030, after North America (Aguilar and Vieyra 2008). Official rates of urban unemployment of around 10.5 percent are believed to underestimate true unemployment and underemployment, while between 1990 and 2003 the proportion of urban employment accounted for by the informal sector went from 43 to 47 percent (Aguilar and Vieyra 2008).

Finally, levels of poverty and exclusion closely follow ethnic divisions. To cite just one measure, in Peru, Bolivia, Guatemala and Brazil, indigenous or Afro-Brazilian ethnic groups were at least 70 percent more likely to be living on less than \$2 per day than other groups (cited in Frank 2006, p. 385).

3.2 Historical theories of underdevelopment in Latin America

As outlined in chapter 2, this thesis takes a political economy approach and emphasizes the need for historical grounding of theories. Therefore, this literature review mainly focuses on structuralist and dependency theories, which departed from a historical analysis of the specific economic, social and political conditions of Latin America. These theories were among the first to challenge modernisationist assumptions that different countries were at various stages of a linear development process that would lead to industrial societies of mass production and consumption (eg Rostow 1960). For Kay (1989), the structuralists principally offered a critique of neoclassical economic theory, while dependency theorists

added a critique of sociological modernisation theories. At the same time, they issued a challenge to traditional Marxism, which had generally shared the assumption that capitalism would spread and develop in a similar way in the Third World as it had in the already developed countries.

Common to the whole thread of structuralist and dependency theories is the argument that Third World countries in general, and those of Latin America in particular, have experienced a *different development process* from the wealthier industrialised countries, and can therefore not be expected to follow the same paths.

3.2.1 Prebisch and the structuralists: “centre” and “periphery”

The beginnings of Latin American structuralism are usually associated with Argentinian economist Raul Prebisch and his colleagues working at the United Nations Economic Commission for Latin America (CEPAL in Spanish) in Santiago de Chile in the 1950s. The structuralists conceptualised the global economic trading system as divided into a “centre”, which produced industrial manufactured goods and controlled productive technology as well as financial capital, and a “periphery” that provided raw materials and agricultural foodstuffs. Prebisch challenged David Ricardo’s neoclassical argument that it would be of mutual benefit for countries to continue trading through the pursuit of their respective comparative advantages. Prebisch identified a long-term deterioration in the terms of trade for raw materials. In essence, this meant that peripheral countries had to export increasing quantities of raw materials in order to obtain the same quantity of manufactured imports.

Prebisch also identified structural differences between the core and periphery which meant that productivity gains tended to be retained in the core. In core countries, the existence of oligopolistic producers and labour unions meant that wages and prices would rise in an economic upswing while being defended in a downswing. Meanwhile, the large pool of surplus labour in peripheral countries would restrain wage growth even in an upswing. The ongoing existence of pre- or semi-capitalist sectors with low productivity and near-subsistence incomes acted as a further constraint on wages in the export sectors (Kay 1989, Lustig 1993).

The structuralists at CEPAL recommended a range of strategies to overcome trade and structural imbalances. The best known of these recommendations was for a move towards import-substituting industrialisation (ISI), which would allow peripheral countries to retain increases in productivity, increase employment, and provide greater security against international downturns. The structuralists also recommended land reform, the diversification of exports, moves towards exporting industrial goods, and greater regional integration of trade (Kay 1989, 1998) although these have to a certain extent been overlooked by those considering the structuralist legacy.

3.2.2 The move to dependency theories

From the mid-1960s, Latin American structuralism evolved into more radical critiques of the political economy of Latin American countries and their relationship with global capitalism. The impetus was provided by the perceived failure of structuralist policies recommended by CEPAL. After the “easy phase” of producing consumer goods, import-substituting industrialisation had stagnated. Existing income inequalities placed a limit on the size of the domestic market and thus the ability for internal demand to stimulate industry. In most cases it had not been possible to develop intermediate or capital goods sectors and thus these goods and raw materials needed to be imported. Exports had not been diversified and Latin American countries continued to rely on traditional products for foreign exchange. Starved of capital, industry increasingly came to be taken over by multinational corporations. In summary, ISI had left Latin American countries more dependent than ever (Kay 1989, Cardoso & Faletto 1979, Lustig 1993).

Dependency theories drew on many aspects of the structuralist analysis and vocabulary, such as the notion of core and periphery and the emphasis on the inability of peripheral countries to develop and control technological innovation. However, they were more radical in seeing the development of the core and the underdevelopment of the periphery as complementary and historically interlinked processes. They were also more pessimistic about the possibilities for reform, given that the national bourgeoisie of dependent countries were seen to be allied with external interests and unlikely to champion such reforms.

There is no single dependency theory, but rather what might be referred to as

dependency perspectives, critiques, or approaches.⁶ Kay (1989) and Vernengo (2006) both divide dependency theorists into those writing from a Marxist perspective and those whose work was a critical continuation of the structuralist theories of CEPAL. For both writers, Andre Gunder Frank is considered representative of the former stream, and Fernando Henrique Cardoso and Enzo Faletto of the latter.

For Frank, the underdevelopment of Third World countries was the inevitable correlate of the development of the rich core. Frank argued that although the core countries may once have been *undeveloped*, they were never *underdeveloped*, since underdevelopment is an active process driven by the expansion of international capitalism. Frank argued that the international division of labour allows the industrial 'metropolis' to extract a surplus from its 'satellites' in order to sustain its own dynamic growth. Exploitative metropole-satellite relationships are reproduced between countries in the periphery, and even within countries. He argued that:

...the monopolistic structure and exploitative relationship of this system... are the principal and still surviving structural characteristics which were implanted in Latin America by the Conquest.
(1972a, p. 6).

Given the ongoing extraction of locally-generated capital, Frank doubted whether development was possible in dependent countries. In fact, he argued that countries and regions had only been able to make some progress towards self-sustaining growth and therefore development when they had been largely cut off from international trade such as during wars and depressions.

On the other hand, Cardoso and Faletto (1979) emphasized that exploitation does not occur automatically through the logic of capitalist accumulation, but rather through the specific relations of domination between classes and groups. Cardoso and Faletto preferred to speak of "dependent situations" (1979, p.xxiii) and stressed the need to understand the social and political relations that determined how capitalism developed in dependent countries. They saw an important distinction between those countries where the 19th-century "outward expansion" originally occurred in nationally-owned industries (such as cattle ranching in

⁶ As pointed out by Kay, to an extent the variety and subtlety within dependency has not been acknowledged by mainstream development literature because much dependency-oriented writing was not translated into English or its translation was delayed.

Argentina), and those where it was driven by international capital operating in “enclave” situations (such as foreign-owned mines or banana plantations in Andean and Central American countries).

Cardoso and Faletto rejected the idea that underdevelopment was an inevitable result of dependence. “Development” in the sense of the expansion and diversification of the productive apparatus could certainly occur in the periphery, although this would be unlikely to ensure equitable income distribution or poverty reduction. They termed such development in dependent countries as “associate dependent development”. They also showed relative optimism about the possibilities for progress given changes in forms of dependency, which could bring forth new alliances between classes and groups:

Social structures impose limits on social processes and reiterate established forms of behaviour. However, they also generate contradictions and social tensions, opening the possibilities for social movements and ideologies of change
(1979, p. xi)

3.3 Theories of underdevelopment in hindsight

With the benefit of hindsight, structuralism has been at least partly vindicated by the belated recognition that structuralist policies were implemented rather better in East Asian countries such as South Korea and Taiwan and played an important part in their transformation into industrial powers (Jenkins 1991, Kay 2002). In a comparative analysis, Kay (2002) places emphasis on the much earlier and more thorough land reforms that took place in the Asian countries which ended the influence of landlords and allowed the agricultural surplus to be used to support industrialisation. While not downplaying the authoritarian nature of governments in South Korea and Taiwan, he notes that their reforms had significant redistributive effects and that they continued to promote productivity improvements in both agriculture and industry. In contrast, land reform in Latin American countries was late, partial, and ineffective. Compared with East Asia, governments lacked authority and “statecraft”, partly due to the “polarised and entrenched class structure”. Industrialists sought ongoing protection and subsidies, and policy makers were never able to engineer a move to the next phase of competitive export-oriented industrialisation.

Dependency theories have withstood the test of time less well, in part because of the overall vagueness of their policy recommendations. In addition, they failed to predict the diversified forms that peripheral capitalism would take. The more nuanced perspectives of Cardoso and Faletto, which emphasized the role of internal political and social forces, are considered by reviewers to better capture the relationship of dependent capitalism to underdevelopment (Kay 1989, Vernengo 2006). Dependency has also been criticized from a Marxist perspective for its missing or incomplete class analysis. Frank in particular has been criticized for his depiction of exploitation as occurring through relations of exchange, rather than production (eg, Laclau 1972), and his hierarchy of metropole-satellite relationships has been seen as too mechanical. Kay (1989) sees as decisive the objection that in the metropole-satellite chain the “exploiters are also exploited”, whereas exploitation should be a class relationship.

However, while Frank's analysis may be overly simplistic as a comprehensive theory of development, his depiction of unequal exchange being reproduced at a variety of geographical levels does capture something important about the *actual economic and social geography of Latin America*, particularly in the Andean countries where the racial hierarchies and administrative centralism of Spanish colonialism have persisted. Frank's metropole-satellite hierarchy survives in contemporary narratives of Latin American experience ranging from institutional economic studies of value chains (eg, Schmid 2006) to ethnographic accounts of village markets. For example, Weismantel (2001) argues that in differing contexts, from capital cities to regional centres to village squares, individuals obtain varying degrees of “whiteness” and “Indianness”, and thus suffer and in turn exploit power asymmetries.

3.4 The evolution of neostructuralism

For several reasons, from the late 1970s structuralist and dependency theories gradually ceased to be at the forefront of academic or policy debate. First, the debt crisis of the 1980s concentrated the attention on immediate fiscal and financial problems. Policy makers were forced to turn to neoliberal policy prescriptions of the IMF and the World Bank to address these problems, and structural issues of underdevelopment were beyond the short-term horizon (Sunkel 1993). Further, State-led industrialisation was seen as at least partly

responsible for the crisis through having contributed to the high debt levels (Gwynne and Kay 2004). Second, the 1970s and 1980s saw the emergence and consolidation of several examples of industrial development in countries that had previously been part of the poor periphery, notably in East Asia.

However, by the early 1990s it became clear that neoliberal approaches had also failed. Although macroeconomic indicators had been stabilized following debt crises, in no sense had healthy economic growth resumed. On average, GDP per capita actually dropped during the 1980s in Latin America, leading to it being termed the “lost decade” (Franko 2006). Inequality worsened, absolute numbers living in poverty increased, and urban employment became more precarious and informal. Under these circumstances neostructuralist perspectives began to emerge, led again by CEPAL (Sunkel 1993, Kay 1998). Neostructuralists continued to emphasize structural issues of internal imbalance and external vulnerability, but they developed different views on the appropriate role of the State and the potential of the global economy. The following are some key neostructuralist propositions:

- The movement of capital through the global economy and the growing influence of powerful multilateral institutions such as the IMF and WTO gives countries less room than ever for policy development.
- The experiences in Asia show that there are important opportunities through integration with global markets although these are contingent on competitive advantages.
- The State has an important, but more limited and flexible role in steering economies and societies towards greater international competitiveness. Priority areas are education, and interventions to promote social cohesion and overcome institutional weaknesses or market imperfections (Sunkel 1993, Lustig 1993, Kay 1998).

A key aspect of neostructuralism is an emphasis on the development of “non-traditional” exports. These are products that may variously have a higher value-added component, greater forward and backward linkages to the national economy, require greater skills or technological capabilities, and may be produced at a smaller scale, thus allowing those with less land or capital to become exporters. An example is processed or packaged fruit production in Chile (Murray and Silva 2004) or cut flowers in Colombia (Wright and Madrid 2007). Another

industry with such characteristics is tourism, especially in its niche forms such as ecotourism, which may offer “high multiplier effects and local participation” (Davenport and Jackiewicz, p. 99).

During the 1990s and 2000s the neostructuralist analysis has been given further impetus by the emergence of apparent success stories in Latin America itself. Most notably, both Chile and Brazil are considered to have combined macroeconomic stability and growth with improvement in social indicators. In Chile, the return to democracy under the Concertación government in the 1990s saw poverty reduced from 40 to 20 percent in a decade through redistributive social spending based on tax increases and ongoing control of rents from copper production. In Brazil, the government of Ignacio Lula de Silva built on the macroeconomic stability achieved by Fernando Henrique Cardoso with anti-poverty programmes including conditional cash transfers and modest land reform, and even saw a drop in the (still very high) levels of inequality (Santiso 2006).

The neostructuralist approach is challenged by Leiva (2009), who argues that in attempting to build an all-encompassing “progressive or solidarity-based modernity” (p. 7) based on technical policy interventions to promote competitiveness, neostructuralist thinkers have neglected the issues of appropriation and distribution of the economic surplus that concerned their structuralist forebears. Leiva argues that by emphasizing social cohesion, participation and consensus building, neostructuralism presents key economic relations as essentially non-antagonistic and ignores the asymmetric power relations underlying both labour-capital and international relations. He concludes that “although it is a step forward in relation to dogmatic neoliberalism, Latin American neostructuralism represents a significant theoretical and political retreat in comparison to the best traditions of Latin American critical thinking”.

3.4.1 Recent developments

Recent analyses suggest that the issues identified by the structuralists and *dependentistas* continue to hinder Latin American development, even in the countries that are seen as the exemplars of neostructuralist compromise, such as Brazil and Chile. Despite some economic diversification, primary product orientation continues. For twelve out of twenty Latin American countries, their primary export is sugar, coffee, minerals or petroleum (Bosco and Jackiewicz, p.

8). While Mexico is now a manufacturing power, it remains highly dependent on the United States, which is the destination of 85 percent of its exports (Santiso 2006). As described in the opening section of this chapter, Latin America continues to be marked by a large surplus labour force, high inequality, and highly concentrated land ownership (Weisbrot and Sandoval 2009). Despite being seen as a model for the region, Chile remains one of the most unequal countries in the world, and some analysts have argued that absolute levels of poverty are worse than is indicated by official data (Campodónico 2010a).

Since 1998 a number of other challenges to neoliberal hegemony have emerged at the political level. Self-proclaimed “socialist” governments have been elected in Venezuela, Bolivia and Ecuador. A key platform has been the reclaiming into national control of key resources, notably petroleum in Venezuela and natural gas in Bolivia. However, there are also neostructuralist elements to policies in these countries: the State has tended to renegotiate contracts and claim a greater share of the rents, which are redistributed to fund social programmes, rather than insisting on full ownership and control of production. In Bolivia, a renewed drive for land reform is another key policy (Weisbrot and Sandoval 2009).

3.5 Conclusions

Structuralist and dependency theories helped unseat modernisationist views on the reasons for underdevelopment in Latin America. Yet, long-term overviews of Latin American underdevelopment and responses to it have a certain circularity. The structuralists at CEPAL recommended policies to address problems such as income inequality, dualistic economic structures and deep social divisions. However, comparative analyses such as that by Kay (2002) argue that structuralist policies failed in Latin America – while working in East Asia – exactly because of the “polarised and entrenched class structures”. Thus, the existing inequalities and gulf in power between groups represent Latin America's “original sin”, which stretches back to the Conquest and perpetuates underdevelopment (see also Birdsall 2007).

More recently, neostructuralist theories have emerged as an important counter to neoliberalism and have more space for a diversity of views on development. Neostructuralist approaches aim to “raise all boats” through a collaborative modernisation process that ignores or smooths over underlying social divisions and inequalities. It is unclear to what extent this can address issues of equity.

Despite the many commonalities in the causes and consequences of Latin American underdevelopment, at some point a generalised overview must give way to a study of the specific economic, political and social factors within individual countries and regions. Kay (1989) argues that “structuralist and dependency analysts have to undertake more studies of the smaller or micro units of a country”, while linking these to national or international theories. He says:

...analysis would greatly benefit from studies on the development of local markets and their linkages with national and international markets; and investigations into the varied ways and means by which production is organized and the surplus is created...[as well as] the varied processes of class formation and exploitation which are sensitive to ethnic, gender and cultural dimensions” (p. 211).

This thesis aims to provide these more specific analyses. The following chapter begins by looking more closely at the development pathway of Peru, reviewing both the historical causes and contemporary evolution of poverty, inequality and social conflict.

Chapter 4: Underdevelopment in Peru

This chapter provides an overview of the specific problems of underdevelopment in Peru. These are driven by two interrelated themes. The first and perhaps most fundamental relates to the profound social divisions left as a legacy of the Spanish empire, of which Peru formed the centre in South America. The second is the broadly shared history with the rest of Latin America as a “resource periphery” which has produced narrow and uneven economic development. This is followed by a discussion of contemporary poverty and inequality and the ongoing social unrest fomented by a sense of exclusion. The chapter concludes by describing the expectations for tourism as one of the few sectors that might promote more inclusive development in Peru.

4.1 Legacy of the Spanish Conquest

Peru's contemporary capital Lima was the centre of Spanish domination in South America and the capital of the entire continent up until the 18th century.⁷ Historical accounts of Spanish empire disagree on theoretical significance: for Frank (1972), it represented the beginning of the expansion of international capitalism, while others emphasize the non-capitalist modes of production (Laclau 1971, Friedman 1984). However, all are in agreement about the exploitative and hierarchical nature of colonialism, which from its inception involved the direct domination of native populations through tribute and forced labour. Forms of domination changed over time, from the privatized *encomienda* system to more direct control through *corregidores*. In addition to tribute payment, Indian populations were subjected to forced labour in Crown-owned mines. Bureaucratic positions such as *corregidor* were bought and sold, as poorer Spanish migrants sought to profit from the exploitative possibilities offered by combined executive and judicial power (Friedman 1984).

The mestizo population, which quickly became the majority, lacked status within the formal racial categories of Spanish empire. However, they were freed from subordinate status by the wars of independence, and “joined the scramble for control of land and labour” (Friedman 1984, p.10). Mestizos were among those who became powerful *hacienda* owners during the 19th century (the Quechua

⁷ The 18th century Bourbon reforms created the viceroyalties of Nueva Granada and Rio de la Plata, with their capitals in modern-day Bogotá and Buenos Aires respectively.

word *misti* for a Spanish-speaking outsider of perceived relative wealth and power is a corruption of *mestizo*).

The racial hierarchies established during the colonial era have persisted to the present day. Direct forms of domination including tribute labour survived in rural areas and on large estates into the twentieth century (Gelles 2000, Autocolca 2006b). Although these were largely ended by the 1960s, race persists as an “ideology of domination” (Kay 1989). A number of contemporary ethnographic authors describe the “racialisation of ethnicity” in contemporary Peru (Paerregaard 1997, Gelles 2000, Weismantel 2001, Mitchell 2006). While the overriding narrative of white privilege and Indian submission persists, position within power hierarchies is determined less by skin colour than by culture, ethnicity and class. Social advantage is associated with being educated, urban, and Spanish-speaking, while rural lifestyle, traditional cultural practices and speaking Quechua are signifiers of “Indian” status. Although social mobility is limited, people can become “whiter” through acquiring wealth and education. The process is summed up by Gelles:

The colonial categories and racist attitudes that were instituted in Peru during the colonial period, and which were intimately linked to tribute extractions, have survived with incredible virulence...Because indigenous people are denied opportunities within Peru, many individuals choose to sacrifice their cultural orientations and their ethnic identity to achieve greater prosperity and status...While the change to *misti* status may bring about economic and social progress for the individual, it helps reproduce the structures that marginalize and stigmatize Andean culture and identity. (2000, p. 45)

The ethnic and cultural divisions in Peru also have a *geographic* dimension. In Peruvian discourse, the coast is seen as western and outward-looking, the natural location of modernisation, development and progress. The sierra on the other hand is seen as quintessentially Indian, traditional and backward. Not only is it underdeveloped: this underdevelopment is expected and essentialised by the dominant view.⁸

⁸ The geographic dimension to casual racism was demonstrated by a comment during the 2006 presidential elections by former Prime Minister Pedro Pablo Kuczynski, who said of sierra-dwelling voters that supported nationalist candidate Ollanta Huamla: “the altitude stops the oxygen getting to their brain” (Ugaz 2008)

4.2 Peru as a resource periphery

4.2.1 *Peru as a resource periphery 1821—1980*

Perhaps more than any other country in Latin America, Peru typifies Galeano's (1973) metaphor of wealth extraction through "open veins". Post-Conquest, transport links spidered from the mines of the interior carrying precious metals to the port capital of Lima. Meanwhile, the infrastructure through which the Incan empire linked the interior of the country was degraded and much agricultural land lost or abandoned (Gelles 2000, personal observations). During the colonial period, Peru (which up until the 18th century meant all of Spanish-dominated South America) served principally as a source of gold and silver for the Spanish crown. Friedman (1984) argues that this was mainly used to finance ongoing wars: economic development was not an object either in America or in Spain, and only with the Bourbon reforms of the later 18th century was the system of domination oriented towards classic mercantilist colonialism. The internal economy of Peru mainly consisted of Indian subsistence agriculture (from which tribute was extracted and mines supplied) and the *obraje* system of obligatory labour that provided basic goods for local consumption.

Post-independence, Peru joined most of the rest of Latin America in supplying raw materials to the growing industrial powers of Europe and later North America. Whether this dependence was driven by the "core" countries (Frank 1972, Cardoso & Faletto 1979), or a convenient solution to internal State weakness and political conflict (Friedman 1984), it had the same result: boom-and-bust economic growth based on single products, which were controlled by a small elite, and which excluded the majority while doing little to forge internal economic links (Thorp and Bertram 1980). From the mid-19th century there were resource booms based on guano (bird droppings used for fertilizer) sugar, cotton, wool, rubber and nitrates (which helped precipitate the War of the Pacific with Chile during 1879—83). Mining and petroleum extraction became gradually more important in the 20th century, along with the export of fish meal.

The period following the Second World War brought profound social change to Peru. Massive migration from the sierra towards the coast, and from rural to urban areas, permanently altered the fabric of Peruvian society, as indigenous peasants sought to change their status and become incorporated into national society

(Paerregaard 1997). The anaemic industrial economy was unable to incorporate this flow of migrants, who were thus forced to generate informal self-employment. Bertram and Thorp (1980) note that levels of underemployment in Lima had already reached 30 percent by the 1960s. Migration also resulted in the rapid expansion of informal settlements or *pueblos jóvenes* around the outskirts of Lima and other cities such as Arequipa.

The other drivers of change were political. From 1968—75 Peru was governed by a military junta headed by General Juan Velasco Alvarado. This government promoted a reformist nationalist agenda in part driven by the structuralist recommendations of CEPAL (see chapter 3). Perhaps the most significant action was an agrarian reform that sought to break up the large estates and redistribute the land to tenants and workers, whom the government tried to organise into collective enterprises (Kay 1982). The government's reforms failed in an economic sense through being insufficiently radical and ultimately incoherent (Thorp and Bertram 1980), while, despite land redistribution, agriculture continued to be disadvantaged by macroeconomic policies and was unsupported by appropriate credit, marketing or investment policies (Kay 1982). However, the agrarian reforms did succeed in breaking up the large estates and permanently ending the power of rural landlords, and they effectively marked the end of non-economic forms of domination in the sierra.

4.2.2 Civil war, economic crisis and neoliberalism 1980—2010

The 1980s were disastrous years for Peru politically and economically. The Shining Path was a militant Maoist movement that began in Ayacucho in the central sierra and came to dominate large parts of central Peru as well as penetrating into the capital of Lima. Both the Shining Path itself and the scorched-earth response from the Peruvian military terrorised rural areas of the central Andes through murder, disappearances and the destruction of entire villages. The Truth and Reconciliation Commission named by President Valentin Paniagua in 2001 estimated that a total of nearly 70,000 people were killed during the violence, the great majority of them poor, Quechua-speaking peasants in the rural sierra (CVR 2003). The Shining Path itself was responsible for just over half of the deaths, with the military and paramilitary groups responsible for the remainder (CVR 2003).

During the same decade Peru was severely affected by the international debt crisis. A series of “heterodox” attempts by President Alan Garcia to promote economic stabilisation and recovery were unsuccessful, resulting in skyrocketing inflation and a decline in GDP (Lago 1991). In 1990, Alberto Fujimori was elected president on a populist platform but proceeded to implement comprehensive neoliberal reforms. Inflation was tamed and macroeconomic recovery achieved. The capture of Shining Path leader Abimael Guzman in Lima in 1992 also saw the effective collapse of the insurgency and end to outright hostilities. However, in 1992 Fujimori instituted authoritarian rule with an “auto-coup” that dissolved the Peruvian Congress. A privatization programme provided Fujimori with the resources to invest in infrastructure and implement a number of clientilistic social programmes.

In 2000, a corruption scandal involving Fujimori’s security adviser Vladimiro Montesinos saw Fujimori resign, presidential elections annulled and a transitional government led by Valentin Paniagua installed. In 2001, new elections saw the election of Alejandro Toledo – who had risen from being a shoeshine boy in coastal Chimbote to a technocrat at the World Bank. This period was initially marked by some optimism and a consensus for change. Some steps were taken towards decentralization and restoring democratic institutions (Drinot 2006). However, under Toledo neoliberal policy settings were maintained, and although economic growth resumed, this was largely driven by a boom in mineral prices. Growing discontent at the lack of progress for the majority saw Toledo’s approval rating drop to a historic low of 7 percent.

In June 2006, Alan Garcia won Peru’s presidency for the second time. Garcia depicted himself as the Third Way candidate, with a campaign slogan of “responsible change”, and he specifically cited Chile and Brazil as models he admired. His proposed policies had a distinctly neostructuralist flavour: he promised to review the free trade agreement with the US “line by line” to strike a better deal for Peru, finish the stalled General Labour Law, end large-scale employment outsourcing, and impose royalty payments on mineral extraction (Bidwell 2007c). In fact, none of these things were achieved, and in general Garcia continued neoliberal policies even more assiduously than his World Bank-trained predecessor Toledo.

Peru’s high level of growth during the 2000s has largely been based on booming mineral prices. While there has been some progress in developing agroindustrial

and textile exports, Campodónico (2009) reports that in 2008 just 25 percent of \$31.5 billion in Peruvian exports was from non-traditional products, as compared to 47 percent of \$37.5 billion from Colombia and 41 percent of \$65 billion from Chile. In addition, in the other two countries the State has a significant stake in traditional extractive industries, while in Peru these are dominated by multinationals, resulting in 7 percent of GDP being lost through profit remittances (Dancourt 2008). Despite cycles of political change, there has thus been little movement away from Peru's traditional position as a resource periphery.

4.2.3 Structural adjustment and its legacy

In addition to the historical factors described above, structural adjustment in the wake of 1980s hyperinflation worsened inequality and insecurity in Peru, producing a major drop in real wages that has never been redressed. Verdera (2007) describes how both the Garcia government during 1988—89 and the subsequent Fujimori government implemented policies including large price rises in public health and education services, restricting the minimum wage and public sector salaries and discouraging unions. Union membership fell from 46 percent in 1987 to 11 percent in 1994 (Verdera 2007).

Figs 3.1—3.3 demonstrate that as economic growth has forged ahead during the 2000s, wages have stagnated and the labour share of GDP has declined. In 2009, the 21 percent labour share of GDP in Peru compared to 34 percent in Chile and 58 percent in the United States (Campodónico 2010b). Yamada (2005) reports that by 2002, the average hourly wage in urban areas was approximately 50 percent lower than in 1985, while average working hours had increased from 50.3 to 54.8 hours per week. Chacaltana (2006) points out that while productivity rose by 20 percent in the 2001—05 period, wages rose by just 8.9 percent.

Fig 4.1 Wages and Profits as a Share of Peruvian GDP, 1991—2008

Source: Campodónico 2010, data from INEI

Fig 4.2 Evolution of Wages and Salaries in metropolitan Lima and Peruvian GDP per capita since 1991 (1994 = 100)

Source: own elaboration from INEI, accessed November 2010

Fig 4.3 Evolution of Wages and Salaries in metropolitan Lima since 1980 (1994 = 100)

Source: own elaboration from INEI, accessed November 2010

While these figures demonstrate the dominant position of capital in general, the concentration of wealth is even greater when distribution within the business sector is considered. Campodónico (2008a) reports that among the top 8,000 Peruvian businesses, the top 100 obtain 84 percent of all profits. The top twenty businesses include eight mining and eight petroleum companies, with an average profit of \$186 million USD. This evidence of two distinct economies – a highly profitable oligopolistic sector and a “competitive sector” of minimal returns – suggests the profound economic dualism identified in the 1960s Peru by Thorp and Bertram (1980) has continued or even worsened.

4.3 Contemporary poverty and inequality

Reliable data on poverty and other social indicators is available for Peru from the mid-1980s. While there is debate about methodological differences (Chacaltana 2006), there is little doubt that during much of the 1985—2007 period around half the Peruvian population remained below the national poverty line, with around 20 percent in a state of extreme poverty, lacking the resources to cover even basic nutritional needs.⁹ The most recent statistical series from 2004 shows poverty declining slowly, with the ratio of poverty reduction to growth significantly worse than in countries as politically diverse as Chile and Venezuela (see Rodriguez 2008, Weisbrot 2008). Several authors note that poverty has increased proportionately more during recessions than it declined during periods of economic growth (Chacaltana 2006, Tanaka and Travelli 2002, Yamada and Castro 2007).

This suggests a rise in inequality. Although recent changes in the Gini coefficient are ambiguous (Yamada and Castro 2007), geographic inequalities are clearer. Table 4.1 shows that not only is poverty higher in the sierra but geographical breaches have actually widened over the past five years, with nearly a quarter of the population in the sierra remaining in extreme poverty. The depth of the reduction in monetary poverty is called into question by the fact that in Peru as a whole chronic malnutrition has stayed the same or even increased. However, even this indicator shows that malnutrition is twice as high in the sierra as on the coast.

⁹ In Peru, the official poverty line is an absolute monetary measure based on the income required for a basic basket of goods (“poverty”) or basic nutritional needs (“extreme poverty”). This varies by region. Poverty measurement has seen a series of methodological changes since the 1980s. The household survey on which measurements were based was administered by a private company until the mid-1990s when the national statistics institute took over.

Table 4.1 Changes in development indicators for Peru, by natural region

	Year 1			Year 2		
	Peru	Coast	Sierra	Peru	Coast	Sierra
Poverty (2004, 2009)	48.6	35.1	64.7	34.8	19.1	53.4
Extreme poverty (2004, 2009)	17.1	4.0	33.1	11.5	1.8	23.8
Chronic malnutrition (2005, 2009)	29.3	20.9	39.1	30.1	20.9	41.5
Infant mortality per 1,000 live births (1996, 2008)	50	41*	69	25	15*	34

Source: INEI, accessed November 2010

*For infant mortality, Coast excludes metropolitan Lima

It is important to note that in Peru “the poor” do not constitute a homogenous mass. Both quantitative panel studies (Tanaka and Travelli 2002, Chacaltana 2006) and qualitative community research (Krishna et al 2006) suggest over time some people escape poverty while others become poor. Krishna et al (2006) found that rising or staying out of poverty was associated with income diversification, access to non-agricultural income, new roads and social support within the community. Across periods in the panel studies, approximately 65 percent of people had at some stage been poor. Factors associated with a fall into poverty included exposure to natural disasters, crime and health problems.

4.3.1 Social policies: the absence of a safety net

In theory, public expenditure on social services such as health and education should ameliorate the effects of structural adjustment and also allow people to develop the 'human capital' required to successfully participate in the marketplace. However, Peru has a lower public social expenditure than the Latin American average, both per capita and as a proportion of GDP (Yamada 2007).¹⁰ Overall, public education and health spending is slightly regressive, and has been highly pro-cyclical (Tanaka and Travelli 2002, Yamada and Castro 2007). Furthermore, education coverage has increased while per-capita spending has not, suggesting a reduction in quality (Yamada and Castro 2007). Some recent progress has been made with the introduction of basic health insurance through the Seguro Integral de Salud seeing the proportion of people with insurance rise from 36.2

¹⁰ This is due to a lower than average budget priority for social spending, and low overall public expenditure, the latter influenced by a tax take of just 14 percent of GDP, compared to the regional average of 18 percent.

percent in 2005 to 60.5 percent in 2009 (INEI, accessed November 2010). However, 60 percent of people over 65 lack any access to a pension (Campodónico 2008b).

Since the 1990s a number of programmes have emerged that directly target the poor, mostly involving food transfers through public schools, local community groups or mother's clubs. The programmes have been criticised as overlapping, uncoordinated, and in many cases failing to reach their intended target (Tanaka and Travelli 2002, Vasquez 2005, Chacaltana 2006 Yamada and Castro 2007).¹¹ Some of these shortfalls are addressed by the 'Juntos' ('Together') programme, a new scheme of conditional cash transfers to the very poor, inspired by similar initiatives in Mexico, Chile and Brazil. While this programme has had some success at improving conditions for the poorest, the requirement to access public health and education services has not been matched by corresponding improvements in the quality or availability of these services (Jones et al 2007).

4.4 Contemporary social conflicts and the claims for tourism

Recent years in Peru have been marked by growing dissatisfaction with the prevailing development model, perceptions of increasing corruption (Alvarez Rodrich 2010), and general mistrust of public institutions. This has been exacerbated by poor communication and seeming mutual incomprehension between government and citizens. The tone was set in a notorious op-ed in the Lima daily *El Comercio* (García Pérez 2007), where President García argued that Peru required more intensive exploitation of its natural resources – particularly through external investment – and that those who stood in the way were like the *perro del hortelano* (effectively, “dog in the manger”).

This rhetoric has provided the context for a series of recent controversies with the common themes of access to natural resources and disputed models of development. In September 2007, several communities in the northern department of Piura organised a local referendum (declared “illegal” by Peru's official electoral institutions) that rejected the development of a large mining operation. In response, then Prime Minister Jorge del Castillo declared that “those who oppose investment can't demand its benefits” (Bidwell 2007a).

¹¹ Tanaka and Travelli (2002) estimated that food transfer programmes were benefiting about 40 percent of the poor and 57 percent of the extremely poor, but according to (Yamada and Castro (2007) they had reduced poverty by at most 1 to 2 percentage points.

On 5 June 2009, 57 days of protest and road blockages near the locality of Bagua in Peru's northern jungle ended with a violent confrontation between police and native groups that resulted in the death of 23 policeman and an unconfirmed number of local community members (Hinojosa et al 2009).¹² The protesters were for the most part from tribal groups opposing legislative decrees, which they claimed would facilitate the sale and exploitation of the forest lands on which they depended for sustenance.¹³ Further deaths occurred during protests in the Arequipa district of Chala during April 2010 related to government plans to regulate informal mining. Hardly a week goes by without significant strikes or protests in some part of the country, often involving road blockages and social disruption.

There is wide recognition that the continued exclusion of the majority from the benefits of growth is untenable – if only for the threat to “governability” posed by this frequent unrest. Yet it is not clear whether there is any coherent strategy for promoting more inclusive development. President Garcia's 2006 election slogan of a “free trade agreement for the interior” brought to mind Sunkel's (1993) objective of “development from within”, but this concept has received little sustained attention at a government level. The academic and independent policy sector has proposed the development of “productive chains” to link small rural producers with complementary processes of transformation and marketing; the formation of producer associations; and the provision of technical and financial assistance to agriculture (Escobal Valdivia 2004, Vasquez 2007). Grassroots-oriented programmes such as Sierra Sur (see section 8.3 and Appendix 1) are beginning to implement some of these recommendations but so far they remain small scale and fragmented.

In this context tourism has become one of the few sectors which is officially promoted as offering decentralized development, greater economic participation and the generation of “dignified” employment. As argued by the Ministry of Foreign Commerce and Tourism:

Tourism generates economic movement that directly and indirectly impacts

¹² Estimates range from 9 to over 30. Exact numbers of casualties, as well as other details such as exactly what events occurred in which order, are still disputed.

¹³ Following the ratification of the free trade agreement with the United States in 2007, the Peruvian Congress granted the Executive Branch the ability to develop legislation covering matters related to the requirements of the FTA. Over 100 decrees were issued, with critics arguing that many had little to do with trade.

on diverse economic activities in the country; it is a special mechanism of decentralized employment generation and a way to redistribute wealth, with a multiplying effect of 1.8.

(2006, p.6)

Importantly, tourism has the scale to make a difference: by 2009 total tourist numbers had increased to 2.1 million, providing \$2.5 billion in foreign currency, equivalent to 9 percent of exports (MINCETUR 2010). It has been embraced by the government as an area to make national sectoral plans, with the Peruvian National Tourism Strategy (PENTUR, 2008) setting a framework for further elaboration at regional level. Tourism is one of the few activities that is favoured both by national policy makers and is also apparently acceptable to local communities. For example, the communities in Piura who rejected the mining project proposed ecotourism as one component of their alternative development strategy (Enlace Nacional 2007). While tourism is clearly an outward-oriented sector, the at least rhetorical emphasis on decentralization and participation, and on developing cultural as well as natural resources, makes it a candidate for promoting “development from within”. From a structuralist perspective, tourism has the potential to ease economic dualism by providing resources directly to the “traditional” sector.¹⁴ These considerations return us to the principal question posed in chapter 1: whether and how tourism can contribute to more inclusive development.

4.5 Conclusions

In conclusion, Peru is characterised by economic, sociocultural and geographical dimensions of inequality and exclusion, which reinforce one another and have common roots in the legacy of the country’s colonial history. Although traditional hierarchies and systems of exploitation were complicated by factors such as the 1960s agrarian reform and mass rural-urban migration, profound social divisions continue. These divisions played a part in the horrifying violence of the 1980s (CVR 2003) and continue to foment conflict. It may be argued that social divisions and economic underdevelopment are linked by a common logic, well captured by author Jorge Bruce in an interview:

¹⁴ Thorp and Bertram note that the 1968-75 Government only really made structural reforms within the “modern” sector, when to address inequality there needed to be a transfer of resources *between* the “modern” and “traditional” sectors.

The Spanish brought the concept of biological determinism...which has a clear economic interest, as the writer Jose Carlos Mariátegui points out: inferior people should receive low wages or none at all, that's where cheap labour got started and one way or another we haven't got beyond that.

(cited in Ugaz 2008)

Against this background, a doctrinaire neoliberalism over the past twenty years has resulted in further concentration of wealth and a diminished position for labour. While macroeconomic growth occurs on the back of the most recent resource boom, this has so far failed to “trickle down” to the majority. In this context, tourism is one of the few sectors seen as offering opportunities for economic diversification and broader participation. The following chapter examines the theoretical claims made for “alternative” forms of tourism as a means of promoting more inclusive development.

Chapter 5: Tourism and Inclusive Development

This chapter presents the theoretical basis for seeing tourism as offering pathways to more inclusive development. The first section provides an overview of the global tourism industry and introduces the terminology and theory relating to “alternative” forms of tourism including sustainable tourism and ecotourism. The next section reviews various criticisms of these models which suggest that local groups can be marginalized if they do not control the material bases of tourism. The final section discusses the developing concept of “rural community tourism” which has more specific objectives of community control and local development, and a number of instructive experiences in Latin America.

5.1 The development potential of tourism

An important factor underlying the perceived development potential of tourism is that it has rapidly become one of the world's largest industries. According to various sources, it accounts for one-third of all export of services, and 10 percent of global employment (Stronza 2008). Developing countries have gained an increasing share of the tourism market, reaching 40 percent of all international tourist arrivals in 2008 (Mitchell 2010). Fig 5.1 shows that while global tourist arrivals doubled between 1988—2005, in Peru they grew sevenfold.

Fig 5.1 Tourist arrivals globally and to Peru, 1988—2005

Source: own elaboration from Autocolca 2006a

However, tourism in its traditional forms can have many of the characteristics of traditional extractive industries: it may be dominated by multinational corporations, employ few local people in generally low-wage positions, and radically alter or damage the natural or built physical environment. In this light, tourist development could be seen as another example of the “enclave” economy in the manner of bananas or mineral extraction, perpetuating the “development of underdevelopment” described in the previous chapters (Scheyvens 2002, Mowforth et al 2009). Such was the concern about the negative impacts of tourism that the World Bank and the Interamerican Development Bank ceased funding for tourism-related development projects in the 1970s (Honey 2008).

Renewed interest in tourism as a development strategy over the past two decades comes mainly from the conceptual evolution of “alternative” forms of tourism including ecotourism and “sustainable”, “responsible” or “pro-poor” tourism. The term “ecotourism” was first used in the 1970s (Honey 2008), but many writers locate the United Nations 1987 Bruntland report as the beginning of a conscious interest in linking tourism with sustainable development. During the 1990s forms of tourism were increasingly seen as compatible with grassroots development strategies (Barkin 1997). By the end of the decade there was a burgeoning literature on ecotourism and interest from NGOs, multilateral institutions and development donors, to such an extent that the United Nations declared 2002 the International Year of Ecotourism. Within academia, the *Journal of Sustainable Tourism* published its first issue in 1992 and the *Journal of Ecotourism* in 2002.

5.1.1 Tourism terminology

The terminology associated with alternative forms of tourism can be confusing, with its free mixing of descriptive and normative or aspirational language. A well known succinct definition of ecotourism, developed by the International Ecotourism Society (TIES) in 1990, is strongly aspirational:

Responsible travel to natural areas, which conserves the environment and improves the welfare of local people.

For Honey (2008), “ecotourism” is to be distinguished from other descriptive terms for forms of tourism like nature, culture, and adventure tourism because it refers

not to the object of the tourist experience but to its *impact*. Several authors contrast ecotourism with “traditional”, “mass”, or “sun, sand and sea” tourism, with the latter thought to be typically “beach focused, dominated by global hotel chains...resource intensive and wasteful...often center[ing] on culturally isolated all-inclusive resorts” (Klak and Flynn 2008, p.117). Others see “mass” and “alternative” tourism as existing on a continuum (Scheyvens 2002).

In some places “sustainable tourism” and “ecotourism” are used interchangeably. Elsewhere, a distinction is drawn between sustainable tourism, which merely involves economically viable operations that do not destroy the resources on which they are based, and ecotourism, which should more actively and deliberately aim to conserve the environment and improve local people's welfare (Udhammar 2006, Honey 2008). In recent years, concerns about the appropriation of terminology for marketing purposes has seen a shift towards terminology that is either more clearly normative, such as “responsible” tourism (Mowforth et al 2009) and “pro-poor tourism” (Mitchell 2010), or more concrete, such as the “rural community tourism” discussed below.

5.1.2 Claims for ecotourism

Regardless of the exact terminology, alternative forms of tourism are generally claimed to achieve or at least aim for a three-way synergy, by:

- 1) Promoting respect for and conservation of natural and cultural heritage
- 2) Providing revenue that supports and incentivises such conservation
- 3) Bringing development benefits to local groups in the destination area.

Development benefits offered by alternative forms of tourism are claimed to include: an income source that complements, rather than replaces, traditional economic activities; reduced “leakage” of profits to foreign-owned enterprises and more forward and backward linkages with other economic activities; revalorization of cultural traditions and beliefs; improved community organization and leadership, and contact with an expanded network of people and sources of support (Belsky 1999, ILO 2001, Duffy 2002, Scheyvens 2002, Maldonado 2003, Stronza 2008).

It is worth asking *how* tourism is modified to deliver these benefits. For many writers, positive outcomes should flow from the more ethical or “responsible” comportment of tourists and tour operators. Indeed, a recent survey of tourism

and development (Mowforth et al 2009) makes “responsibility” its overarching theme. Diversification in tourist demand is also cited as a factor. Tourists searching for “otherness”, novelty, authentic cultures, or pre-industrial nature may be disinclined to buy tour packages and more likely to travel independently or in small groups to more remote locations. They may have a greater concern for the environment or be more open to ecological or cultural education (Duffy 2002, Scheyvens 2002, Honey 2008).

Others suggest that the very nature of the “offshore reefs, mountainous interiors, undeveloped coastal locations” accessed by alternative tourism (Duffy 2002) help small-scale, locally controlled enterprises have competitive advantage over large corporate operations (Durham 2008). Alternatively, government support or alliances with NGOs or multilateral organizations may allow smaller businesses and local communities to take advantage of market opportunities. (Maldonado 2003).

5.2 Criticisms of ecotourism

Numerous authors issue challenges to these claims. Among the most straightforward are criticisms that as actually practised, so-called ecotourism either falls short of the expectations for conservation and development, or is no different from “traditional” tourism. In examples from Bay Islands of Honduras (Stonich 1999), coastal Belize (Duffy 2002), and the Dominican Republic (Carrier & MacLeod 2005), ecotourism had resulted in significant modification or damage to the biophysical environment, and had enclosed or appropriated land used by local people. Duffy (2002) found that ecotourists did not have more enlightened attitudes or openness to education; while Carrier & MacLeod (2005) report that the majority of ecotourists were unaware of the historical context of their visit and did not reflect on their own actions. These authors argue that ecotourism exists in a “bubble” analogous to the regular “tourist bubble”: it may be seen as more ethical or responsible only because the focus is on the tourist interaction with the specific nature or culture being visited and ignores the context and antecedents of the visit.

It might be argued that these examples are not *really* ecotourism but traditional tourism in disguise and such problems would be avoided if tourists and tour companies took a more responsible approach. A more profound criticism made by

a number of researchers is that ecotourism, even where well-implemented, imposes Western definitions of sustainability, emphasizes conservation over development, and restricts local peoples' ability to continue existing livelihoods.

Different perspectives on sustainability are summed up by Redclift (1991). According to a Western or neoliberal perspective, natural resources are seen as inherently scarce "natural capital". Sustainable development occurs if this "capital" is not depleted faster than it can be refreshed, or if the benefits gained from its depletion allow some permanent technological advance. An alternative vision of sustainable development emphasizes the ability of people to have equitable access to the resources needed to maintain their livelihoods. It takes into account the social and political context that influences decisions about resource use, such as unequal land holdings.

Several case studies suggest that exclusion of local people is less a "failure" of ecotourism than the imposition of Western or elite visions of environmental sustainability within existing power structures. For example, Carrier and MacLeod (2005) characterise the establishment of a national park in the Dominican Republic as:

A case of fairly straightforward dispossession and alienation...a park controlled by and catering to outsiders imposed by a multinational corporation and the national government.

(p.325)

Udhammar (2006) provides an overview of ecotourism in four protected areas in South Africa, Kenya and India, and describes how local people have been negatively affected by restrictions imposed by conservation. He notes how in both Kenya and India hunting by the local population has been defined since colonial times as "poaching", and the privileged legal rights of princes and colonial governors have in effect passed to independent governments and their wildlife departments. In three of the cases, existing inhabitants were evicted from the core area of the park as part of its development. Udhammar's examples are more nuanced than "straightforward dispossession", with local people having variable involvement in governance and control of the protected areas and their resources; obtaining land of secondary prominence; and gaining business opportunities or employment. However, in all these cases, ecotourism development had essentially been directed by the State and local elites.

5.2.1 Cultural tourism and authenticity

The preceding challenges to ecotourism share what might be termed the “parks not people” criticism. Benefits for local people become the forgotten part of the ecotourism “equations” (Stronza and Vasconcellos 2008) because people are seen to play at best an instrumental role in preserving nature that is exotic or attractive to the Western gaze. Some writers argue that more culturally-centred ecotourism can ensure local benefits. Durham (2008) suggests that the tourist desire for authenticity gives local people a competitive advantage:

Where locals have lived in a given environment over generations of time there accrues a special form of 'incumbent advantage' in ecotourism: authenticity. No matter how polished and smooth an outside guide, or well-trained in someone else's [traditional ecological knowledge], they can never offer the authenticity of a local guide...This advantage is akin to the difference between a painting and a print: people pay premiums and form long lines to see the original.

(p.267)

This assumes that the traveller can tell the difference, and also that there exists an unproblematic definition of “authentic” and “local”. This point is illustrated by researchers such as Hill (2007, 2008) and van der Berghe and Flores Ochoa (2000) on the production of cultural or “mystical” tourism in Cuzco, Peru. They describe the development of *incanismo* as the centrepiece of tourism, involving a romanticisation of the region's Incan past and the representation of a mythologized version of Andean indigeneity. *Incanismo* was originally developed by urban mestizo elites as a statement of regional identity in resistance to Lima-based State centralism. It has flourished as “an alliance of interests between tourists fascinated by the romance of a vanished civilization, and local elites, who are proud of their status as the descendants of that civilization” (van de Berghe and Flores Ochoa 2000). At the same time, it has excluded existing ordinary Quechua *campesinos*. Hill argues that:

While the popularization of indigenous religion has brought some symbolic prestige to local Quechua populations and some attention to their quest for cultural and economic survival...[this] has happened largely beyond the

control of the Quechua and has effectively denied them ownership of or material benefit from the marketing of their religious culture. On the contrary, Quechua spiritual capital...is usually converted into economic capital for white and mestizo New Age entrepreneurs, and often caricatured and distorted in the process.

(2007, p.455)¹⁵

Van de Berghe and Flores Ochoa (2000) note that although Cuzco has become a successful centre of tourism with a flourishing craft industry, the trickle down of economic benefits is largely restricted to the city and “the manna that descends from the jets doesn't scatter much beyond the airport”. Despite the growth of tourism, rural poverty has increased, and Quechua *campesinos* face restricted choices to be a “shaman or a porter”.

.An insight to be drawn from Hill (2008) is that the ethical intentions or desire to be responsible of tourists are largely irrelevant to the ongoing marginalization of local people. The tourists interviewed by Hill were puzzled, empathetic, guilty, and disturbed by the poverty and inequality they witnessed, and were also unsettled by the inauthentic interactions with people desperate to sell something. However, they were powerless to affect the socioeconomic structures they encountered, and in the few cases where they acknowledged their own complicity in exploitative structures, their reaction was one of helplessness.

This suggests that marginalization can be perpetuated even where local culture is the object of tourist interest. As suggested by Udhammar (2006), for local people seeking pathways to development, the crucial factor is “direct ownership of crucial resources – in particular land”, which allow the “power basis for creating constructive frameworks for development” (p.677).

5.3. Rural community tourism

Over the past decade an acknowledgement the need for greater local participation and control of tourism has seen a growing enthusiasm for the concept of “rural community tourism” from governments, multilateral institutions and other development agencies (ILO 2001, Maldonado 2002, 2003, MINCETUR 2006).

¹⁵ Hill cites Peruvian anthropologist Marisol de la Cadena, who argues that the ideology of *incanismo* glorified the Incas while depicting lower-class Indians as having “degenerated into the *incivilizada raza india* [uncivilized Indian race]”.

Rural community tourism or “community ethnotourism” describes tourism that is developed *with* indigenous or rural communities (Maldonado 2002, my italics). While the synergies between sustainability and development are similar to those claimed for ecotourism, there is a more concrete emphasis on local participation and control, with local development, rather than conservation, being the primary objective.

The vision of tourism as an opportunity seems to be one genuinely held at the grassroots. According to Zorn (2007, citing Monte 2005), 314 out of 327 decentralized indigenous municipalities in Bolivia identified tourism as their number one priority for development, ahead even of traditional activities such as agriculture.

5.3.1 Experiences of rural community tourism

The enthusiasm for rural community tourism in part rests on a number of examples where small communities have undertaken tourism initiatives that have been economically successful while also promoting broad participation. Prominent case studies in the literature include Taquile Island in Lake Titicaca (Zorn 2007, Cheong 2008), the Cofan tribe in the Ecuadorian Amazon (Borman 2008) and the Toledo Ecotourism Association in Belize (Duffy 2002). These case studies all involved communities deciding to engage in an organised way with tourism. Their at least partial success had been due to relatively high social cohesion, strong leadership, existing external connections or the involvement of (often foreign) “ad hoc advocate mediators” (Zorn 2007).

A summary of a conference on rural community tourism (ILO 2001) provides a summary of 19 further case studies of community-based tourism in Ecuador, Peru and Bolivia. The communities studied had gained a range of benefits from tourism, including multiplied and diversified income sources; increased incomes for the majority of families; and healthier community or municipal finances. A broadened range of complementary occupations had become available, including lodging, food, transport, guiding, crafts, small-scale agro-industries, music and dance. New technical skills had been developed through educational courses and practical experience, while traditional skills, productive processes, designs and medicines had been recaptured.

In some cases engagement with tourism had led to stronger organization or social cohesion and the formation of alliances with other communities to build tourist “circuits”. Cultural expressions such as crafts, oral traditions, music and dance had been revalorized and some groups had gained a stronger sense of ethnic identity. Intercultural respect between communities, tourists, and private operators, and the participation of women, are cited as other positive outcomes.

Technical and financial problems included lack of ongoing access to credit, lack of understanding of depreciation and confusion of revenue with income, basic levels of service leading to a poor “product”, and poor knowledge of or access to marketing, which remained dominated by outside private operators. Conflicts had arisen over the sharing of tourists between and within communities, with some favoured because of their geographical position and access to transport (see also Duffy 2002) and concerns about the development of tourism by individual families not overseen or regulated by the community. In some cases destructive competition had led to deterioration of the product owing to “lack of rules and conditions” (ILO 2001). In some communities, lack of cohesion or leadership resulted in them being subordinated to the conditions set by agencies or guides.

While tourism had led to renewed attention to traditional cultural forms, these were at risk of becoming commodified. Young people had developed imitative consumption patterns and abandoned community responsibilities, not participating in ceremonies or speaking the native language (although these changes could not be blamed entirely on tourism). However, according to Zorn (2007), on balance in Taquile tourism supported rather than undermined traditional lifestyles. Indigenous identity had become “more salient” to Taquileans through tourism, leading to increased status and pride in cultural traditions.

Some authors point to the inherent tension between the desire of rural and indigenous groups to modernize (for example, use additional income, speak Spanish, get specialized training) both to meet material needs and to effectively manage tourism, and their status as the exotic Other, which had initially stimulated the tourist interest. It is worth noting that the Cofan managed this tension by taking the role of expert mediators between tourists and the environment, rather than making a performance of their cultural identity (Borman 2008).

One of the positive impacts cited from the 19 case studies in the Andean countries, also noted in several other cases studies, is that tourism can provide a

“framework to claim wider rights” (ILO 2001) such as land titling. In some cases, income from tourism has supported existing efforts to defend land rights, while in others the validation and strengthening of identity stimulated by tourism has emboldened local groups to make wider claims (Duffy 2002, Borman 2008).

5.3.2 Challenges to rural community tourism

Discussion of rural community tourism often assumes communitarian ownership and management; and departures from this model may be phrased in problematic terms. However, some authors suggest that the notion of “community” has been romanticized and over-simplified (Belsky 1999), while Mitchell and Muckosy (2008) argue that community management is cumbersome and is implicated in the failure of many community tourism projects through lack of market access and financial viability. They criticize the assumption that a “sophisticated service sector such as tourism” is best managed by a large group of community members, comparing this to the “disastrous flirtations with collective initiatives [in agriculture] in the 1960s and 1970s”. They reassess the success factors of some of the examples cited above, stressing that the Cofan project is run on “strict business lines” and noting the evolution from communitarian to privately-run enterprises on the island of Taquile.

Instead of a focus on community management, the authors argue that development agencies should assist local people to connect to mainstream tourism and major tourism routes, potentially as employees, or to enter the tourism “value chain” through craft stalls, taxis and local food supplies rather than being expected to run hotels and restaurants. They should also work at removing barriers to market access through initiatives such as technical and language training

While these criticisms appear valid, the recommendations about capacity building are not dissimilar to those proposed by proponents of rural community tourism (Maldonado 2002, 2003). In addition, an emphasis on community-wide benefits does not imply management by committee, as seen in the case of Cofan (Borman 2008), where core group that promoted tourism sought a way to involve the whole community, eventually settling on involvement in development and management of cabins.

Discussion of rural community tourism is often couched in distinctly neostructuralist terms: the recurring themes are “sustainability” and “competitiveness”, while Maldonado (2002, 2003) divides proposed policies and actions into the “micro”, “meso” and “macro” scales, along the lines set by Sunkel (1993). The challenge of developing successful tourism operations with rural and indigenous communities is presented as primarily a technical one, with State, civil society and private sector actors all seen as contributing, to their potentially mutual benefit. At the same time, the objectives imply shifts in power and a redistribution of resources about which there is not necessarily consensus. For Maldonado (2002) real benefits for communities would imply viability of community businesses, equitable distribution of benefits among all actors, protection of the territories occupied or used by communities and respect for cultural identity.

The possible conflicts obscured by inclusive language are hinted at in a presentation given by Bolivian anthropologist Carlos Rojas Rivero at a conference on rural community tourism in Otavalo, Ecuador (ILO 2001). Rivero argues that participatory principles in the national legislative framework are contradicted by detailed clauses that award a privileged place to large tourism operators. He describes how informal guides and businesses that responded to interest from independent, backpacking tourists in locales such as Potosi were harassed and even arrested on the instigation of established tour operators – despite being best placed to describe their own livelihoods and being preferred by tourists. Indeed, the tensions created by the professionalization of guiding is a seemingly minor issue but one that recurs in the literature (Duffy 2002, Zorn 2007). Government requirements for guides to be qualified are established in the name of “quality” but have an exclusionary effect, since this demands investment of time and resources unavailable to the poor. It also runs against the idea of spontaneous cultural exchange that theoretically underpins rural community tourism.

5.4 Conclusions

In conclusion, no single model of tourism ensures more inclusive development. At worst, cultural or environmental tourism tightly controlled by State or large corporate interests may perpetuate underdevelopment by restricting resource use and heightening inequalities. However, tourism focused on peripheral areas can have a decentralizing impetus and where local groups control the material bases of tourism they can gain economic benefits. There is also evidence that tourist interest may help destabilize the disparagement of indigenous culture and livelihoods that has historically reinforced marginalisation. Further, in Andean Latin America there appears to be a shared faith in the potential of tourism at levels ranging from national governments to peasant communities, although neostructuralist emphases on “sustainability” and “competitiveness” temporarily obscure what may be very different expectations.

While there is a growing literature on the links between tourism and development, relatively little is written from a broad political economy perspective. While some writers include rich details on local conflicts they do not always link these to wider political and economic structures. In general, there is a tendency to focus on evaluating “models” of tourism, and the present impacts of tourists and tour operators. The thesis turns this around by looking at the potential offered by tourism as an alternative economic activity within the historical context of underdevelopment in a specific geographical location. The following chapter begins by providing an overview of the history, geography and society of the Colca Valley in the Arequipa region of Peru.

Chapter 6: Local Context

This chapter provides background on the local context of the research. The first section describes the position of the Arequipa region within Peru and gives a brief overview of its geography and socioeconomic conditions. This is followed by some background on the geography, history and society of the Colca Valley area, and then additional detail on the case study areas of Cabanaconde, Tapay and Sibayo, showing there to be important economic, social and cultural differences even within relatively small distances.

6.1 Arequipa in the context of Peru

Fig 6.1 Arequipa in Peru

Source: <http://www.senasa.gob.pe>

Peru is divided politically into 25 departments (also referred to as regions), 195 provinces and 1,838 districts. All levels are administered by directly elected governments that serve simultaneous four-year terms.

The department of Arequipa is located in the south of Peru, bordering the Pacific Ocean to the west, the department of Moquegua to the southeast, the department

of Puno to the east, and the departments of Cuzco, Apurímac, Ayacucho and Ica to the north and northwest (see Fig 6.1). Arequipa is the sixth largest department in terms of land area and its approximately 1.15 million inhabitants make it the seventh most populous. The capital city of Arequipa had a population at the 2007 Peruvian census of either 749,210 (city) or 821,692 (metropolitan area), making it the second-largest in Peru, after Lima.

The region of Arequipa is the second most economically important in Peru, accounting for 5.2 percent of national GDP while having 4 percent of the population: well behind Lima, which contributes 47.5 percent of GDP with approximately 30 percent of the population (INEI 2009a). During the 2001–08 period, the economy of Arequipa grew at an annual rate of 6.7 percent per annum, more rapidly than Peru, which grew at 5.8 percent per annum (INEI 2009a). Figure 6.2 shows that the level of monetary poverty in the Arequipa region is well below the Peruvian average, and also that during the 2004–09 Arequipa saw a 39 percent relative reduction in poverty compared to 24 percent at national level.

Fig 6.2 Poverty rates in Arequipa and Peru, 2004–09

Source: INEI, accessed August 2010.

Arequipa has the greatest percentage of the population with at least one year of tertiary education (36.8 percent compared to a national average of 24 percent, INEI 2009b) and its illiteracy rate at 4.1 percent is the seventh-lowest in Peru and below the Peruvian average (INEI, accessed August 2010). Infant mortality in Arequipa in 2007 was 17.3 per 1,000 live births, below the national average of 18.5 (INEI 2009b).

Although these statistics present an overall picture of Arequipa as one of the

“most developed” parts of Peru there are significant internal inequalities. While the region as a whole had a poverty rate in 2007 of 23.8 percent, in the province of Caylloma (which contains the Colca Valley and the case study areas) this was 46 percent, above the nationwide figure of 39.3 percent although below the rate of 60.1 percent for the sierra (INEI 2010a, INEI accessed September 2010). The average figure for infant mortality disguises a range from 12.1 per 100,000 in the coastal province of Camana to 25.0 in the highland province of La Union (INEI 2009b). These inequalities, and the underlying economic, social and cultural differences within the region, are discussed in more detail in the sections on the case study areas.

6. 2 The Colca Valley: history, geography and society

Fig 6.3 Department of Arequipa, by province

Fig 6.4 Province of Caylloma, by district

Source: Modified from <http://es.wikipedia.org>

The Colca Valley lies entirely within the province of Caylloma in the department of Arequipa (see Figs 6.3, 6.4 and 7.1). It is approximately 100 kilometres in length and occupies part of the catchment area of the Colca River, which becomes the Majes and later the Camaná River on its journey to the sea. The valley is geographically bounded to the north by the Cordillera del Chila, including mountains such as Nevado Mismi up to 5,600 metres in altitude, and to the southwest by a volcanic massif from which rise the volcanoes Ampato (6,288 metres), Hualca Hualca (6,025 metres) and Sabancaya (5,976 metres).

In tourist publicity and journalistic coverage, the entire valley is sometimes referred to as the the “Colca Canyon”, but this is not strictly accurate. From the headwaters of the Colca river to the villages of Pinchollo (south bank) and Madrigal (north bank) runs a relatively narrow and deepening valley. Beyond this begins the canyon proper, created during the last million years by the rapid rupture of a natural dike behind which a lake had formed (Autocolca 2006d). In the vicinity of Cabanaconde and Tapay the canyon walls are extremely steep, and the total vertical distance of approximately 3,500 metres from the river to mountain peaks on the northern side makes the Colca one of the world's two deepest canyons (Autocolca, accessed September 2010).

6.2.1 History of the Colca Valley

Fig 6.5 Elaborately layered agricultural terracing in the Colca Valley on the right (northern) bank of the Colca River viewed from a point on the southern bank between the villages of Maca and Pinchollo. Source: author.

The Colca Valley was populated by hunters and gatherers for thousands of years, with forms of agriculture first appearing between 200 and 600 AD (Autocolca 2006b). Between the 7th and 10th centuries the valley came under the influence of the Wari “horizon culture”, which spread from its centre in Ayacucho to dominate much of southern Peru. After the decline of the Wari empire came a period dominated by regional cultures: the Collaguas in the upper valley and the Cabanas in the lower valley.¹⁶ The Colca Valley also came under the influence of the Incan empire at its height, from approximately 1450. The elaborately layered agricultural terraces seen throughout the middle and lower valley (see fig 6.5) were constructed from approximately 600 AD for irrigation, climate control and erosion prevention (Autocolca 2006b). Local mythology recounts the process by which different groups occupied the different and complementary “ecological floors” of the valley and engaged in barter trade (Corrales 1983). Barter became particularly important in periods when State-run redistribution systems – including those of the Wari, Incas and Spanish – had waned (Paerregaard 1997).

¹⁶ According to local mythology, the two ethnicities were frequently in conflict, until the Romeo-and-Juliet style union of a young Cabana and Collagua couple which involved the male partner being required to disguise himself as a woman. This catalyst for the pacification of inter-ethnic relations is celebrated to the present day in the “Wititi”, a dance practiced throughout the valley in February during carnival time.

Following the Conquest, the Spanish placed the Colca Valley under the control of *encomenderos*, and then under more direct control through *corregidores*. Each of these arrangements imposed obligations of tribute and labour service on the indigenous population. In 1580, Viceroy Toledo forced the previously rather dispersed population groups into *reducciones* in order to facilitate taxation and religious conversion. The various villages along the banks of the Colca River, with their Spanish layout and colonial churches, are a legacy of this period (Autocolca 2006b).

The discovery of silver mines in the area of Caylloma in 1620 saw the population of the Colca forced into labour service, which resulted in depopulation and the decline of agriculture throughout the valley. Outbreaks of disease and a series of rebellions eventually saw the decline of the mines themselves. Post Peruvian independence, the province of Caylloma was created as part of the department of Arequipa. In the mid-19th century the export of wool and alpaca fibre became a boom industry in Peru, and came to dominate the Colca Valley. The town of Chivay in the middle valley became a centre of wool commerce, attracting white and mestizo immigrants, who annexed grazing lands and animal herds and established large *haciendas* which endured until the agrarian reform of the 1960s. The capital of the province was moved several times, eventually settling on its present location of Chivay in 1932 (Autocolca 2006b).

Mining activity was renewed at the end of the 19th century. In the 1940s the first road was constructed to link Arequipa with Chivay, and was extended to the mine at Madrigal. Although the tribute taxes imposed on the indigenous population had disappeared by the 20th century, obligatory labour persisted and was enshrined in legislation. Able-bodied men were required to contribute free labour to the construction of roads and bridges and other civil works (Autocolca 2006b).

Significant change came to the Colca Valley in the 1960s and 1970s with the Majes hydroelectric and irrigation project. This was a major State-led effort to dam the upper Colca River and channel water to irrigate the Majes pampas, an arid area of flat land between the city of Arequipa and the coast. As a national development project, it largely ignored or marginalised the small agricultural villages of the sierra (Gelles 2000). The project brought improved transport links to Arequipa, but it also introduced destabilising social and economic changes to local communities. These included increasing dominance of cash over the internal barter economy and increased migration to urban centres, (Gelles 2000,

Paerregaard 1997, personal communications).

Agriculture and livestock herding continue to be the dominant activities throughout the Colca Valley. The diversity of ecological zones and microclimates promotes continued specialization in different products (personal observations). In the lower valley and canyon (2,200—3,400 metres), fruits and maize are predominant. The middle valley (3,400—3,800 metres) produces barley, potatoes, quinoa, broad beans and milk from cattle fed on alfalfa. In the upper valley above about 3,800 metres agriculture is not viable, and the main activity is herding of alpacas and llamas. There is silver mine near Madrigal, while a road leading to larger mines at Caylloma and Orcopampa passes near Sibayo. There is still a recognized ethnic division within the valley between Cabanas and Collaguas, which was exaggerated by the greater influence of Spanish settlers in the Cabana territory. Ethnic identification has continued through the wearing of distinctive hats.¹⁷

6.3 History and society of Cabanaconde

Cabanaconde is located in the lower or western part of the Colca Valley, on the south side of the Colca River (see Fig 7.1). The village of Cabanaconde is situated at 3,287 metres above sea level, but the district includes orchards as low down as 2,100 metres near the Colca river and grazing land up to 4,500 metres. The majority of the population of 2,846 at the 2007 Peruvian census is concentrated in the main village, although there are approximately 600 residents in the “annex” of Pinchollo, at 3,700 metres, approximately forty minutes up the valley. A gravel road leads east, connecting Cabanaconde with Chivay (2—3 hours) and from there an asphalt highway continues to Arequipa (5—6 hours total).

The most extensive information published on the history, society and culture of Cabanaconde is from American anthropologist Paul Gelles, who spent a significant amount of time researching the area between 1987 and 1998 (Gelles 2000).¹⁸

The position of Cabanaconde in the relatively warm lower valley and its fertile soils

¹⁷ Collagua women wear tall, white straw hats decorated with a rosette, while Cabana women wear flatter cloth hats decorated with colourful embroidery. However, the more durable and practical Cabana hat is often preferred by Collagua women in everyday life (personal communications).

¹⁸ Gelles' main area of interest was the systems and rituals governing the management of irrigation water. However, he also recovered and examined archives relating to communal history and land ownership, and published a history of the locality called *Los Hijos de Hualca Hualca* (Children of Hualca Hualca, the snow-capped volcano from which Cabanaconde has traditionally derived most of its water).

which are ideal for growing maize have made it an important population centre for more than 1,000 years. Cabanaconde was a key administrative centre for both the Wari and Incan empires. Following the Spanish Conquest, the *encomenderos* who controlled Cabana territory extracted high tributes, underlining the pre-Conquest economic importance of the area. The combined impact of disease, wars, and forced labour in the mines of Caylloma saw “Indian” tribute payers reduced from 1,345 to 256 between 1570 and 1680 (Gelles 2000, p.30). A higher number of Spanish settled in the Cabanaconde area than elsewhere in the Colca Valley.¹⁹ This produced a different racial and ethnic mix than in other districts and has contributed to social differentiation, inequality in land ownership, and a history of conflict. As Gelles puts it:

Competition, factionalism and envy...are part of community life and play an important role in the political processes of the community (2000, p.34).

Gelles explains how a handful of prominent families dominated the community until the 1960s, using their control of political office to manoeuvre privileged access to resources such as land and water. They also imposed obligatory labour services on “Indian” members of the community until well into the 20th century. At the same time, their connections to regional political and bureaucratic power structures saw them have some success in advocating for resources for the wider community.

The Majes project in the 1960s and 1970s improved communications with the upper valley and Arequipa, but the influence of the project and its engineers and workers had destabilising social, cultural and economic effects. Water was used without permission, lowering water levels and decreasing cultivable areas. Cash-based exchange overran the existing economy. There were also incidents of prostitution and rape (Gelles 200, p.61—63). In 1983, after a long and frustrating campaign to address abuses and claim some benefits from the Majes project, facing the prospect of famine during a serious drought, members of the Cabanaconde community “broke in” to the irrigation pipeline, dynamiting a hole in the canal where it crossed the Hualca Hualca River (Gelles 2000, personal communications). When State authorities arrived, the village claimed collective responsibility. Eventually, the authorities agreed to concede an allotment of water from the Majes canal to Cabanaconde, and when other villages in the valley

¹⁹ A census in 1790 recorded 19 percent of the Cabanaconde population as “Spanish” and 8 percent as “mestizo”, meaning Cabanaconde had roughly double the proportion of non-Indian population of the valley as a whole (Cook 1982 and Gelles 2000, cited in Paerregaard 1997).

threatened to take similar action, they too were given quotas of water. The additional water allowed Cabanaconde to reclaim large areas of territory, especially above the village, and distribute it to land-poor residents.

6.3.1 Migration in Cabanaconde

Cabanaconde has a history of being outward looking, and migrant associations in Arequipa and Lima were already active in the 1940s. The road connection to Arequipa in 1965, population growth and land partition were all factors that accelerated outward migration. In the 1970s, the first migrants reached the United States, and by the mid 1980s there were already 150 people from Cabanaconde in Maryland and Washington DC, where they formed the Cabanaconde City Association (Gelles 2000).

During this and previous visits, I found the population of Cabanaconde to have a highly cosmopolitan character. Almost everyone I spoke to had spent some time studying or working in Arequipa or Lima, and most had family in the metropolitan centres. Although there has been a high school in Cabanaconde since the 1960s, most families with sufficient means aimed to send their children to study in Arequipa or Lima. In addition, many people spoke of family members living overseas. Some participants estimated that up to 50 percent of families had relatives living in another country, and given reports of an expatriate *cabanacondino* community in the USA of between 600 (Gelles 2000) and 1,600 (Autocolca 2006c) in comparison to the district population of around 3,000, this is plausible. Canada, Spain, France, Argentina and Venezuela were other countries mentioned as destinations of migrant *cabanacondinos*.²⁰

There is also significant *inward* migration to Cabanaconde. The village is an urban focal point for the districts of Tapay and Huambo as well as Choco in the province of Castilla (see Fig 7.1). It has also traditionally attracted migrant labour from the upper Colca Valley and the province of Espinar in Cuzco, who come to gain access to the highly tradable local maize. In recent years, some of these migrants have begun to settle in the district and even to own land (Gelles 2000, participant communications).

²⁰ This diaspora was evident in the celebrations for the Virgen del Carmen, the district's most important fiesta, during July 2010. Cabanaconde was transformed by large numbers of returned expatriates from Arequipa, Lima and the United States. Nowadays, only expatriates can afford to be the *devotos* (sponsors) of the fiesta, which involves paying for food, drink, marching bands, fireworks, and two full days of bullfighting. I was told that each of two competing groups of *devotos* spends in the order of \$50,000 USD on the celebrations.

6.3.2 Contemporary economy and society in Cabanaconde

Agriculture continues to be the principal occupation of 90 percent of the Cabanaconde resident population (GERCETUR 2008). Villagers are extremely proud of *maíz cabanita*, the local variety of maize, which is said by many to be the best in all of Peru. The maize producers association is in the process of obtaining organic certification for the crop with a view to accessing export markets. Agricultural practices have been increasingly modernised in the last decade, while the traditional practice of *ayni*, or reciprocal exchange of labour between extended family and associates, has all but disappeared, and farmers requiring seasonal assistance in most cases contract paid labour.²¹ Ownership of urban property and cultivated lands is almost entirely private, although this has varying degrees of formality. Communal areas include the pastures on the highlands above the village, and the pathways down into the canyon. Cattle and other animals are also privately owned, although many roam “wild” in the highland pastures.

As of 2010, Cabanaconde was a bustling village with constant comings and goings. Three bus companies offered between six and eight arrivals and departures daily to Chivay and Arequipa. Regional government funded projects included the tar sealing of the road between the village and the Cruz del Condor lookout point, and the construction of a brand-new locale for a centre of technical and professional education (CETPRO). There were two primary schools, one secondary school, a police station and a health centre, while I counted between 35 and 40 small retail small retail stores selling a variety of products. The three or four shops selling craft work were only the tip of the iceberg of an active sewing and weaving industry largely directed at local consumption. As described further in section 7.2, there were approximately 15 accommodation and restaurant services, largely aimed at tourists, while at least five or six more locales advertised similar services but appeared to be closed or dormant.

There is still awareness of the historical differentiation between Cabanas and Collaguas, which is reflected in the sometimes dismissive attitudes towards the provincial capital of Chivay and authority emanating from there. One research participant quipped that *cabanacondinos* were the “Catalans of Peru” in the sense

²¹ Nevertheless, some older customs continue. Traditional rituals still accompany key events such as sowing and the beginning of irrigation cycles. In addition, maize is still a means of exchange, and is used to pay migrant labourers working at harvest time (personal communications and participant observation).

of their contrariness towards central authority (RP 1). There is also an ethnic and racial dimension to this distinction: as noted by Gelles, people from Cabanaconde are seen by both themselves and others as “whiter” as well as more aggressive, powerful and urbanised than other residents of the Colca Valley (2000, p.158).

6.4 History and society of Tapay

The district of Tapay is located on the north side of the Colca River (see Figs 6.3 and 7.1), and contains the most dramatic and varied terrain in the Colca Valley. It is also the most isolated and poorest district in the province and has seen the greatest recent population decline. Much of the population lives in the steep terrain between the river at 2,200 metres and the central settlement of Tapay at 2,800 metres. Unlike Cabanaconde, the population is spread out among a number of small villages scattered along the canyon wall, including Coshñirgua, Malata, and San Juan de Chuccho, as well as the settlements of Fure, Paclla and Llatica at the western end of the district. The Tapay district extends up into the *puna* or high grasslands, where the settlement of Tocallo at 3,800 metres is the main population centre for herders scattered through the grasslands up to 4,500 metres.

To date, Tapay is the only district in the Colca Valley without a road connection. The predominant link to the outside world is by foot or mule to Cabanaconde, which depending on the starting point can take from a couple of hours to more than a day. There is a precipitous route leading to Madrigal in the middle valley, while there are also traditional multi-day trade links between the *puna* of Tapay and the province of Espinar in Cuzco.

Tapay is an example of a certain ethnic fluidity in the Colca Valley. While Spanish chroniclers described Tapay as within the Collagua sphere of influence, present-day residents see themselves as Cabana. Unlike the significant Spanish settlement in Cabanaconde, in Tapay there was just one Spanish family that settled in the district in the 19th century deriving from a priest from Arequipa who was posted to Tapay and brought his brother and sister-in-law, as well as fathering several children himself. This family used its perceived ethnic superiority to obtain a stranglehold on political and economic power within the district. However, intermarriage along with migration and return migration of other villagers eventually broke down the claims of this family to ethnic distinction

(Paerregaard 1997).

The best source of information on the history and society of Tapay comes from Danish anthropologist Karsten Paerregaard, who spent considerable time living in the district between 1986 and 1997. In his book *Linking Separate Worlds* (1997), Paerregaard describes a population that while isolated was, like that of Cabanaconde, highly mobile and with strong connections to Arequipa and Lima. Outward migration flows from Tapay began in the early 20th century, with the population gradually declining from a peak of around 1,500 in 1876 to 671 in 2007.

²² In 1991, Paerregaard found that the district's resident population of 983 was matched by a similar number of Tapay-born people living outside the district, mostly in Arequipa and Lima. Paerregaard explains that "migration [had] become a rite of passage for Tapeños, an indispensable experience in becoming an adult" (1998, p.43). Migrants left the village at an early age (87 percent before the age of 18) and were usually assisted to settle elsewhere by a sibling or other family member. Migration often proceeded in stages, with Cabanaconde a common intermediate destination for work or study.

Paerregaard found that residents of Tapay lived in a world where Quechua was spoken, barter exchange predominated and mutual exchange of labour and other communal forms of organization were prevalent.²³ In the cities, migrants negotiated an individualistic, Spanish-speaking world where making money was the principal aim. Paerregaard's thesis is that these "separate worlds", although economically, culturally and socially distinct, were strongly linked and mutually influential. While few migrants permanently returned to Tapay, the majority made at least one visit per year, and this meant that "a constant flow of goods, people and ideas between Tapay, Arequipa and Lima render[ed] the lives of villagers and migrants highly interdependent" (p.251). The motivation for return migration was often the need to look after elderly parents or family lands following the death of parents. While this obligation could be met with reluctance amongst migrant siblings, other migrants dreamed of one day returning to their home village.

6.4.1 Contemporary economy and society in Tapay

²² Tapay has gone from the fourth most populous of the 19 districts of Caylloma in the 19th century to the second least populated today.

²³ Within Tapay, the "Trojan horse" for the market economy was *cochinilla* (cochineal), a parasite that grows on the tuna cactus and has value in national and international markets as a source of natural dye or food colouring. Occasional price rises produced an influx of cash into the district.

In recent times the trends described by Paerregaard have continued and intensified, with Tapay's population continuing to decline over the past twenty years and seeing the near-universal migration of children reaching high school age. Paerregaard reports just six Tapeños living overseas, but out of the small sample I spoke to, several participants mentioned children living in the United States, Argentina and Brazil, suggesting that international migration may now be more prevalent.

According to participants, traditional forms of social and economic organization continue to a greater degree in Tapay than in Cabanaconde. The cash economy has penetrated further than reported by Paerregaard, in part thanks to tourism as well as the intermittent price rises for cochineal and the increasing economic activity in nearby Cabanaconde. However, barter continues to be one of the means of internal exchange in the district.²⁴ Communal forms of organization have also persisted. According to one participant, the practice of *ayni* labour exchange is still common, while the communal cleaning of the main irrigation canals is a major ritual event which attracts the temporary return of migrants from outside the district.

Patterns of property ownership in Tapay are similar to those in Cabanaconde, with agricultural fields and animals privately owned while pastures, pathways and rocky areas where cochineal is harvested are communal property. However, none of the private property has been formalized and according to one participant, the entire territory of Tapay is considered a single corporate property in the national property registers.

²⁴ For example, a participant told me that a standard price of 200 apples for a leg of meat regulated exchange between highland herders and agriculturalists in the lower part of the district.

6.5 History and society of Sibayo

The district of Sibayo is in the upper, northeastern part of the Colca Valley, with most of its territory located above 3,800 metres. Sibayo's settlement pattern is distinct from either Cabanaconde or Tapay. Here, the district capital is the only significant urban centre but it houses little more than half of the population. The remainder of the population is spread out through the *puna* between 3,800 and 4,500 metres in *anexos* (small peripheral settlements) or *estancias* (herding homesteads typically housing a single extended family). This settlement pattern is typical of populations dedicated to herding alpacas, llamas and cattle. There is very little agriculture in Sibayo, with only small areas of barely, bean and potato cultivation in the lower part of the district bordering Tuti.

Sibayo is connected by road to Chivay (approximately 1 hour) and from there to Arequipa (4 hours total). The first half of the Chivay-Sibayo road, up to the village of Tuti, is now paved, and the remaining stretch is being paved during 2010.

As far as I am aware, there is no published, detailed ethnographic study of Sibayo as there is for Cabanaconde and Tapay. The population of Sibayo identifies with the Collagua ethnicity and the district has always been within Collagua territory, which generally saw less Spanish settlement and thus less *mestizaje* than Cabanaconde. In addition to herding, Sibayo residents long had claims on seaside territories in the coastal province of Islay, where they travelled each year to harvest *cochayuyo*, edible seaweed. A study from Arequipa's San Agustín University (Corrales 1983) confirmed that until well into the 20th century Sibayo residents made long journeys to harvest the seaweed, then followed trade routes back to their territory using the *cochayuyo* as a form of currency to obtain products such as maize, wheat, barley, potatoes and sugar.

During the 1970s, the urban population of Sibayo began to move away from the old town to resettle approximately one kilometre away near a new bridge on the road from Chivay. This was to take advantage of economic opportunities by offering services to the large number of vehicles in transit towards the silver mines at Caylloma and Orcopampa (Municipality of Sibayo 2005). This had the coincidental effect of preserving the traditional stone, thatched-roof architecture of the old town (Municipality of Sibayo 2010). This has since been adopted as the

central feature of the district's tourism strategy (see section 7.3) and Sibayo has adopted the alternative name of *Rumillacta* (Quechua for “stone town”).

6.5.1 Contemporary economy and society in Sibayo

Although these were subjective impressions and not the result of thorough ethnographic study, my observations were that Sibayo was much more homogenous and close-knit, with a more communitarian ethos, than Cabanaconde or Tapay. The majority of residents bore at least one of seven or eight common surnames (see Fig 7.10) and these were repeated in monuments commemorating public works, documents listing past mayors and *regidores*, and so forth. While in Cabanaconde people “leave their doors locked tight” (Gelles 2000, p. 19), in Sibayo I noted that families were happy to leave the entrance to their houses unlocked when absent for an hour or two. There has been political continuity in Sibayo in recent times, with one mayor being re-elected twice during the 1990s. As discussed further in section 7.3, the local municipality pioneered the participatory budget approach and in 2000 drafted a development strategy that had broad community buy-in.

From information provided by research participants I concluded that compared to Cabanaconde and Tapay, in Sibayo migration was less universal and had different patterns. Destinations of migration were more likely to be within the valley itself, the provincial capital of Chivay, or the regional capital of Arequipa. There appeared to be far less tendency to migrate to Lima, and I did not speak to anyone who had lived overseas or had family living there. Compared to Cabanaconde and Tapay, it was less common to send children to high school in the cities. While it should be acknowledged that the sample was biased²⁵, older research participants had generally not completed a secondary education, while younger ones had gone to high school in the village, which was established in 1988 after considerable struggle (Municipality of Sibayo 2005, personal communications).²⁶ Migration was most commonly undertaken by adult males seeking work, particularly in mining and construction in the wider Arequipa region,

²⁵ One of the conditions of receiving support for developing a *casa vivencial* (see section 7.3) was to be a permanent resident – therefore, the people that participated in my research were by definition those who had stayed in Sibayo. However, in Cabanaconde it was near impossible to find anyone, no matter how ‘traditional’ and rooted they seemed, who had not spent some time living in the city or who had close family there.

²⁶ Some participants had received part of their education in Chivay, which may be a preference for those who live in the *anexos* or *estancias* and are required to travel in order to attend high school anyway.

and by those who accessed tertiary education. A number of residents had reportedly been successful at a tertiary level in the recent past, and several tertiary-educated Sibayefños had returned to the district or to nearby Chivay and were involved in political, administrative, or development roles.

Although urban property as well as alpacas and cattle are privately owned, the territory where animals are pastured is communally owned or at least has less clear boundaries. There is therefore lesser or less obvious economic and social differentiation based on land ownership than in Cabanaconde and Tapay. The economic geography was also considerably sparser in Sibayo than in Cabanaconde. In the new town by the bridge there were two hotels and two restaurants which offered basic *menús* (set meals). Between the old and new town I counted approximately ten small stores. These traded in more restricted hours and had a much more basic range of supplies than the stores in Cabanaconde.

6.6 Comparative population data

The following sections provide official data on population and development indicators for the case study areas, which help clarify or corroborate the ethnographic and anecdotal information reported in sections 6.3—6.5.

6.6.1 Total population, age structure and migration

Table 6.4 and Fig 6.6 show that while the population of both Peru and Arequipa nearly tripled between 1961 and 2007, the population of the Caylloma province has remained relatively static, with the decline from 1993 to 2007 driven by the 15,000 Caylloma-born migrants in the newly irrigated agricultural area of Majes (INEI, accessed September 2010). The population of Tapay has been in constant decline since at least 1961, while that of Cabanaconde remained static to 1981, after which it declined. The population of Sibayo is now approximately the same as in 1961, having seen a notable increase between 1981—93 and a decline during 1993—2007. If we assume the Peruvian population to represent the natural rate of increase, we can confirm that Cabanaconde and Tapay in particular have been significantly affected by outward migration.

Table 6.1 Population change in case study districts, Caylloma, Arequipa and Peru, 1961—2007

	1961	1972	1981	1993	2007
Peru	10.42m	14.12m	17.76m	22.64 m	28.22m
Arequipa	0.39m	0.53m	0.71m	0.92m	1.15m
Caylloma	38,292	39,000	45,460	51,566	34,273
Cabanaconde	3,363	3,368	3,421	3,196	2,846
Tapay	1,404	1,239	997	820	671
Sibayo	766	777	729	919	801

Source: Autocolca 2006c, INEI, accessed September 2010

Fig 6.6 Population change in case study districts, Caylloma, Arequipa and Peru, 1961—2007 (1961=100)

Source: own elaboration from Autocolca 2006c and INEI, accessed September 2010

Table 6.5 provides some evidence for the anecdotal differences in migratory patterns described in sections 6.3—6.5. The percentage of the district population who were born in the respective district but at the 2007 Census were living in either Arequipa or Lima was 28 percent for Sibayo, 48 percent for Cabanaconde, and a striking 63 percent for Tapay. When we take into account the large numbers of *cabanacondinos* independently known to have migrated overseas (see section 6.3), the difference in migratory patterns between Sibayo and the two lower valley districts is even more pronounced.

Table 6.2 Urban migration of population born in Cabanaconde, Tapay and Sibayo

	Resident in district	Resident in Arequipa (province)	Resident in Lima (department)	Total in cities as % of resident population
Born in Cabanaconde	2,846	829	546	48.3
Born in Tapay	671	239	184	63
Born in Sibayo	801	196	29	28.1

6.6.2 Development indicators

The selected indicators shown in Table 6.6 underline the different characteristics of the three case study districts. At face value, Cabanaconde is most “developed”, followed by Sibayo, and then Tapay, where the majority lacks access to basic services. However, the picture is a little more complex when put in the context of local geography. Between 1993 and 2007 all three districts saw improvements in access to basic services, except for sewerage in Tapay. However, in Cabanaconde electricity and sewerage services reached the majority of the population who are concentrated in the district capital but infrastructural improvements did not provide equivalent benefit to the more scattered populations in Sibayo and Tapay. For instance, the district capital of Sibayo received improved water, sewerage and electricity between 1995—99 (personal communications), but these services are only available to the approximately 50 percent of the district population that live there.

Both Cabanaconde and Sibayo have literacy rates around 90 percent, close to the national average, while in Tapay nearly 30 percent cannot read or write. In all three districts rates of secondary education are below the average for Peru and well below the average for Arequipa, although they increased notably between 1993 and 2007, particularly in Sibayo where a secondary school was established in 1988. However, this must be put in the context of the migratory patterns of the districts. In Tapay in particular, those resident in the district are *by definition* those who have not had access to or persisted with formal education.

The final indicator gives an idea of the rapid cultural change that is occurring as well as the differences at different geographical levels. In 1993, Quechua was the mother tongue of the great majority in Sibayo and Tapay, but of less than half the population in Cabanaconde. Quechua was much more prevalent in all three districts than in either Arequipa or Peru as a whole. By 2007, Cabanaconde, which Gelles (2000) describes as “bilingual”, had become a district of predominantly native Spanish speakers. Quechua was still the mother tongue of the majority of Sibayo residents, but there had been a dramatic drop since 1993, suggesting that in another generation Sibayo will be similar to Cabanaconde. In Tapay there had only been a small reduction in native Quechua speakers: this does not mean that

change is not occurring, but is another reminder of the skewed nature of the resident portion of the wider Tapay-born population.

Table 6.3 Comparison of population indicators in case study districts

		<i>Peru</i>	<i>Region of Arequipa</i>	<i>Cabanaconde district</i>	<i>Tapay district</i>	<i>Sibayo district</i>
Public water network	1993	46.7	58.9	80.1	11.5	36.3
	2007	63.7	74.0	91.3	35.2	53.7
Public sewerage network	1993	35.7	44.9	10.4	0.4	2.7
	2007	54.1	65.2	65.5	4.9	39.9
Electricity in house	1993	54.9	69.8	24.5	0.4	1.8
	2007	74.0	84.2	78.4	42.9	48.8
Can read and write (15—99)	1993	87.2	92.4	81.0	58.0	80.3
	2007	92.9	95.9	90.8	72.5	88.3
Secondary* education (15—99)	1993	63.5	72.4	45.0	20.8	30.7
	2007	69.2	80.1	57.5	29.1	45.1
Learnt to speak in Quechua	1993	16.5	17.1	45.0	77.8	87.0
	2007	13.0	14.8	29.4	72.1	55.5

Source: Own elaboration from INEI, accessed August—September 2010

6.7 Conclusions

The elements of history, ethnography and population studies touched upon in the preceding sections show that the case study areas in the Colca Valley have commonalities that distinguish them from the region and nation of which they are a part, while they also have important geographical social, cultural and even linguistic differences. It is important to note that these localities are far from being isolated or “undeveloped”, awaiting modernisation. Rather, they have 500 years of history of being connected to the international market economy and have experienced several cycles of the “development of underdevelopment” which positioned the wider Colca Valley area as a regional resource periphery while destabilising other forms of economic organization and trade. Local residents were subjected to non-economic forms of domination until well into the 20th century. More recently, traditional power structures have been undermined and complicated by national political and economic changes, as well as by migration and the improvement of transport links, which have introduced new class relationships and modified relationships with the regional metropolis. The following chapter begins to describe how the arrival of tourism has created further

possibilities for change

Fig 7.1: Pictorial map of the Colca Valley

Source: Autocolca

Chapter 7: Research Findings I – Historical Narratives

This chapter sketches the events and characters that were uncovered by the field research, incorporating local detail and at times conflicting perspectives. The first section provides a brief overview of tourism in the Colca Valley. The following two sections give more detailed historical accounts of how tourism has evolved in the two case study areas: the districts of Cabanaconde and Tapay in the lower valley; and the district of Sibayo in the upper valley.

7.1 Background to tourism in the Colca Valley

Fig 7.2 Tourists watch a condor glide over the Cruz del Condor. Source: author.

Tourism to the Colca Valley was made feasible by the Majes hydroelectric project in the 1960s and 1970s, which connected the area by road to Arequipa. However, the attention of the outside world was attracted by the reports of a Polish expedition in 1981 that travelled the length of the Colca River by raft, and whose measurements estimated the Colca Canyon to be the deepest in the world. By the mid-1980s, the Colca Valley was already seen as offering great potential for tourism. In addition to the geographical marvel of the canyon, other features included the remarkable, tightly layered agricultural terraces spread across the

middle valley; the diverse collection of 17th century churches; and the colourful dress, dance, crafts and music of the local villagers. But perhaps the most marketable attraction was the Andean condor. The world's largest flying bird can be seen throughout this part of the Andes – but at the Cruz del Cóndor, a 3,700-metre high lookout point between Pinchollo and Cabanaconde, condors glide in circles just metres from the roadside as they rise on the morning thermals in search of food.

The Colca Valley received publicity from reports and articles in magazines and newspapers with national circulation. Further international fame came in 1995, when American explorer Johann Reinhard and Arequipa guide Miguel Zárate, using the village of Cabanaconde as their base, discovered the “Mummy Juanita” – the frozen body of a girl who had been sacrificed by the Incas more than 500 years previously near the summit of Nevado Ampato (see Reinhard 2006).

Access to the Colca Valley was improved by the construction of a modern asphalt highway between Arequipa and Puno in the late 1990s, which greatly improved the first half of the journey from Arequipa to Chivay. By this time, standard ways for tourists to visit the Colca Valley were already established and these “circuits” were marketed and operated by an increasing number of travel agencies based in Arequipa. The most common is the “conventional” tour, which involves a tour group travelling in minibus-type *transporte turístico* with a single tour guide, often combining smaller groups from various travel agencies. The transport leaves Arequipa early in the morning and travels to Chivay, making stops to view volcanoes and vicuñas. In the afternoon, passengers usually make a visit to hot springs near Chivay, and in the evening have dinner and watch a *peña* (folk music show). The night is spent in Chivay, with an early start in the morning to continue down the valley to the Cruz del Condor, where arrival is timed to coincide with the appearance of condors. The group then heads back up the valley, making brief stops in at least some of the small villages along the way before arriving back to Chivay for lunch and continuing to Arequipa.

The other common alternative is the trekking tour. Smaller groups travel directly to Cabanaconde.²⁷ From there, they trek down into the canyon until reaching the river and the village of San Juan de Chuccho, then ascend the other side of the

²⁷ Until recently, most tourists who wished to trek into the canyon, including those taking a tour through an agency, had to take one of the public bus services, although they were usually accompanied by a guide from Arequipa. However, approximately eighteen months ago, one of the agencies in Arequipa started offering a trekking itinerary using its own tourist bus, and selling seats to tour groups from other agencies.

canyon and pass through the villages of Coshñirgua and Malata, before descending again to Sangalle, a natural oasis by the river. The night is spent here, and groups usually make an early ascent to Cabanaconde (average 3 hours climb) to allow a visit to the Cruz del Condor before returning to Arequipa. The trekking tour is usually done over two to three days and is relatively flexible regarding the time of departure from Arequipa, the route taken, and the place[s] of accommodation.

A survey undertaken by the Autocolca authority in November 2006 found that 77 percent of foreign tourists who travelled to the Colca Valley had arrived to Peru independently and that 61 percent had arrived to Arequipa the same way, but that 78 percent had travelled to the Colca Valley using a travel agency (Autocolca 2006a). These figures can be interpreted as implying the breakdown in table 7.1 below.

Fig 7.3 Ways in which foreign tourists arrive to Colca Valley

Source: own elaboration from Autocolca (2006a)

7.1.1 Volume and seasonality of tourist flows

Data is available from the Autocolca authority on tourist flows to the Colca Valley from 1998: these are summarised in Table 7.1 and presented in Fig 7.2. It can be seen that total numbers have increased fivefold since 1998, and have more than doubled since 2003, reaching nearly 150,000 in 2009. However, since 2006 the

increase in foreign tourists appears to have flattened off while the number of Peruvian tourists – including students – has increased more rapidly. Fig 7.2 compares the monthly distribution of tourist arrivals in the Colca Valley and Machu Picchu. It will be noted that the Colca Valley has a very marked seasonal peak, especially for foreign tourists, with 40 percent of all tourists arriving in the months of July to September.²⁸

Table 7.1 Tourist arrivals to the Colca Valley 1998—2009

	International tourists	Adult Peruvians	Students	Total Peruvians	Total
1998	23,215			5,843	29,058
1999	38,303			4,980	43,283
2000	44,206		3,470	8,240	52,446
2001	47,816		4,938	7,089	54,905
2002	52,286		4,070	11,805	64,091
2003	55,111		4,072	12,194	67,305
2004	71,296	9,399	6,819	16,218	87,514
2005	83,331	12,039	8,488	20,527	103,858
2006	92,003	13,958	12,725	26,683	118,686
2007	91,348	16,428	14,860	31,288	122,636
2008	102,155	19,732	18,726	38,458	140,613
2009	98,736	27,918	20,164	48,082	146,818

Source: Autocolca 2006a, 2010a

Fig 7.4 Change in tourist arrivals to the Colca Valley, 1998—2009

Source: Own elaboration from Autocolca 2006a, 2010a

²⁸ The difference between the “foreign” and “all” charts is largely due to the large volumes of Peruvian students making end-of-the-year trips during October and November.

**Fig 7.5 Seasonality of tourist flows in the Colca Valley and Machu Picchu, 2005
(international tourists)**

Source: Autocolca 2006a

Fig 7.6 Seasonality of tourist flows in the Colca Valley and Machu Picchu, 2005 (all tourists)

Source: Autocolca 2006a

7.1.2 Interpreting the impacts of tourism

Based on tourist expenditure surveys, Autocolca (2006) estimated that the value of tourism to the Colca Valley was approximately \$10 million USD per annum. In the provincial capital of Chivay, where almost all tourists to the Colca Valley pass through, the influence of tourism is undeniable. Residents and others who spoke at the “Municipal Management of Tourism” conference in April 2010 recalled that 25 years ago Chivay was “in a state of poverty”, where pigs roamed the dirt streets and there were only a couple of buildings made of modern materials. Now, Chivay is a bustling town with an attractive plaza, an orderly, modern bus terminal, a busy central market, numerous gallery stalls and shops selling crafts, several internet cafés, approximately 30 hotels and hostels and a similar number of free-standing restaurants. Several large, three to four-star hotels have been established nearby, in the quieter villages of Yanque and Coporaque and by the river near the village of Ichupampa.

Despite the generally positive view of these changes, a good deal of dissatisfaction with the development of tourism in the Colca was showcased at the conference. Speakers cited issues including “disorderly” development of tourism, excessive and disloyal competition, failure to diversify, lack of benefits or participation for the majority of residents, marginalisation of outlying districts, neglect of local identity, and increasing environmental contamination (see also Autocolca 2006, p.11).

The interpretations of development, and the positive and negative impacts of tourism mentioned here, will be revisited in later chapters. However, although the big picture will be kept in mind, a detailed evaluation of the evolution and impact of tourism in the entire Colca Valley is too large a topic for a Master's thesis. Instead, the focus is placed on the case study localities. Each of these is a peripheral rural area of the kind that alternative forms of tourism are meant to benefit, while as chapter 6 demonstrates, they also have important social, cultural and geographical differences. The following sections describe the historical development of tourism, firstly in the Cabanaconde and Tapay districts, and secondly in the district of Sibayo.

7.2 The rise and stagnation of tourism in Cabanaconde and Tapay: opportunistic success and loss of local control

Fig 7.7 Pictorial map of Cabanaconde and Tapay Districts

Source: Autocolca

The evolution of tourism in the districts of Cabanaconde and Tapay is described together because the established trekking routes into the Colca Canyon cross both districts, which collectively represent a single “destination” for tourists. The village of Cabanaconde is the arrival and departure point for public and private transport travelling from Arequipa and Chivay, and the terrain within the canyon on the south side of the Colca River (including the oasis of Sangalle) is part of the Cabanaconde district. All the territory within the canyon on the north side of the Colca River is part of the district of Tapay (see Fig 7.7).

7.2.1 Tourism arrives to the canyon 1980—95

The beginnings of tourism in the Cabanaconde and Tapay districts were in the wake of the famous Polish expedition that navigated the Colca Canyon by raft in 1981 and publicised the area to the outside world. According to the research participant with the earliest recollections, occasional tourists were already arriving in the early 1980s, trekking down into the canyon and seeking relief from the hot

afternoons by bathing in the irrigation canals. Meanwhile, Cabanaconde remained a quiet village almost entirely dedicated to agriculture. There was running water but no electricity, and only one or two shops, although two small hostels had already appeared. A single bus made the arduous 12-hour journey each day to and from Arequipa.

The year 1987 saw the return from Lima of a Cabanaconde migrant who had left the village at age seven. He brought his young family, ostensibly to visit while a complication over property rights was resolved. But with the capital city battered both by economic crisis and the Shining Path insurgency, they ended up staying in Cabanaconde. An initiative by the return migrant's coastal-born wife to raise extra income by preparing food for local professionals soon expanded into a restaurant in the family home, which also began to serve the few tourists who arrived to the village.

The return migrant remembers that in about 1988, some acquaintances from Arequipa who worked in the tourism industry made a visit to investigate a trekking circuit through the canyon. He helped them follow a route which has since become established as the standard two to three-day trekking circuit between Cabanaconde and Sangalle. In the early 1990s, the family began to purchase plots of land at Sangalle. They built a rudimentary swimming pool, filled by tepid underground spring waters, and established basic accommodation for tourists, who could camp or stay in bamboo huts.

Although research participants differed on exact dates and numbers, the general consensus was that it was in the mid 1990s that the trickle of tourists arriving to see the canyon turned into a steady stream. According to several participants, the turning point in terms of volumes came when professional guides bringing tour groups began to appear. From 5 to 6 per week, numbers eventually increased to 20 per day. At that point, as described by a resident of the Tapay district:

When they saw that movement, the cabaneños woke up; they started building swimming pools.

(RP 42)

A local resident in Sangalle built the locality's second swimming pool and also began to offer tourist accommodation. Another family from Cabanaconde bought up further land in Sangalle. This land was later divided between three brothers who each established their own site. By 2010, there were six separate sites offering tourist accommodation in Sangalle.

There is some historical controversy over the conversion of land in Sangalle to accommodate tourists. Until the 1960s, this area had been one of a string of orchards along the Colca River that produced a rich variety of subtropical fruit, a key element in the regional trading network (see Paerregaard 1997) and a commodity sold as far away as Arequipa. The locality is said to have supported a population as high as 100 people. In the mid to late 1960s, these orchards were struck by a mysterious sickness and the trees stopped producing fruit. Orchard owners generally abandoned fruit cultivation and moved back to the village of Cabanaconde to concentrate on growing maize.

Those who bought land in Sangalle saw this as an investment based on the potential of tourism. But while they report spending large amounts on the purchases, others accuse them of taking advantage of the previous owners' misfortune and paying "risible sums". In at least one case, a relative of an existing owner disagreed with the sale, considered he had a claim on the property, and temporarily "invaded" the land. As well as underlining the informal nature of local property ownership, this is just one example of the conflict-ridden social relations in the lower valley (see also Gelles 2000).

Fig 7.8 A view into the Colca Canyon from near Cabanaconde, looking towards the villages of Tapay (centre), Coshñirgua and Malata (lower centre and lower left). Source: author.

7.2.2 The boom times: 1995—2005

By the late 1990s the village of Cabanaconde had obtained full electrification, and transport times to the Colca Valley reduced gradually. In 1999, another migrant family, who were based in Arequipa, opened the first formal hotel in Cabanaconde. Originally offering 10 rooms, the new hotel was met with approval by Arequipa-based travel agencies, and quickly expanded, to the extent that more rooms had to be built on another site. In 2001, another Lima-based migrant with roots in Cabanaconde began to construct the town's only three-star hotel, an architect-designed stone construction which was completed in 2002.

Similar changes were afoot in the canyon. Around 1997, a resident of Coshñirgua, who had been working at Sangalle and bringing food, drink and mules to tourists, decided to expand his own residence to offer tourist accommodation, providing a rest stop on the way to Sangalle. Within eighteen months, he was emulated by his next-door neighbour. In 2000, the first tourist accommodation was established in the village of San Juan de Chuccho by a return migrant, who had recently experienced the collapse of a hitherto-successful business in Arequipa. He said that when he began to carry in building materials and grass for his patio, other villagers laughed at him. Six months later, one of the local villagers who had reportedly laughed began to construct her own tourist accommodation – according to her, at the urging of a professional guide from Arequipa who had camped with tour groups near her residence. The following year, another San Juan family joined the list of the tourist accommodation providers, and by 2010 there were five local *hospedajes*.

7.2.3 The rise and fall of the local guide 2000—2005

With the increasing flow of tourists who wanted to trek into the canyon, there was also demand for guides with local knowledge who could show tourists the way and teach them something of the local environment and culture. The provision of guiding services was originally on an informal basis. One research participant, whose grandfather owned one of the original hostels, remembered being sent to assist tourists as a child of eight or nine. In 2000, the Spanish development agency AECID (see Appendix 1) sponsored two one-off courses in tour guiding, involving 60 hours each of theoretical and practical work. The four original graduates of this programme would go on to form the Cabanaconde local guides association, APROSET. A further 30 people participated in another course jointly organized by the Autocolca authority and Arequipa's Catholic University.

At first, guiding proved to be a regular and relatively lucrative occupation: research participants recall that during the early 2000s they could earn \$30 USD per day (in Peru, the standard rate for a day's casual labour is around S/. 30 or approximately \$10 USD). The APROSET association was formed in 2002. It was formally registered, an office was opened, and support was obtained from the Sierra Sur programme (see Appendix 1) for outreach education delivered by Arequipa's Maria Reiche Institute to upskill locals in guiding, computation and languages.

This situation deteriorated during the mid-2000s as travel agencies in Arequipa sought to lower costs and began to send people from outside the area to guide their tour groups. Reportedly, it became common practice to send unqualified guides such as tourism students or anyone else who could speak a little of the relevant foreign language and find their way through the canyon. Guides sent from Arequipa were paid as little as S/. 25 per day, less than one-third of what the Cabanaconde guides had been receiving. Research participants, including guides from both Arequipa and the Colca, and proprietors of travel agencies who were themselves critical of this practice, explained that guides were often expected to bolster their meagre wages by extracting commissions from local service providers or cutting corners on budgets for food and supplies.

According to one participant, guides from Arequipa began to appear around 2003, although another stated that in 2005 approximately 30 of the 40 members of the local association still got regular guiding work. However, local guides quickly found themselves crowded out and potential earnings greatly reduced. The declining opportunities for local guides were the catalyst for what one termed "the debacle of the association" (RP 11), leading to a general loss of enthusiasm and participation. In 2005, the resolutions establishing the association expired, meaning that it lost its legal status. In 2007, a group of members tried to restore the association, and there was an aborted attempt to re-open an office. As of 2010, the members had paid a lawyer to help them draft the necessary resolutions but according to a participant, "nothing has happened" (RP 4).

A further complication is the recent entrance into force of national legislation which requires anybody working as a "tour guide" to have tertiary qualifications from either a university or a technical institute based on a minimum of six semesters study. If properly enforced, such requirements could potentially reduce the use of unqualified guides by tour operators from Arequipa. However, the same legislation means local guides without such qualifications will only be able to describe themselves as a "local aide" (*acompañante local*) rather than a "tour guide", leaving considerable uncertainty about what role they will be able to play.

7.2.4 Tourism and diversified livelihoods

By the early 2000s, the Cruz del Condor had become established as the single most visited destination in the Colca Valley. However, this was the last stop for the tour buses that carried the majority of tourists undertaking “conventional” tours of the Colca Valley, and there was no contact with Cabanaconde itself. A group of women from Cabanaconde, and others from the village of Pinchollo, decided to take the mountain to Mohammed. They began to travel to the Cruz del Condor in the early morning on the public buses, selling food, drinks, and craft work to the large quantities of tourists gathered at the lookout point.

I did not manage to interview representatives of the original group of women, *las antiguas* (“the original ones”), and the brief summary of this activity is based on an interview with the president of *las nuevas* (“the new ones”), a second group of women who began travelling to the Cruz del Condor approximately five years ago. When this group first travelled to the lookout, the original group objected that they had been there first, and tried to prevent the new arrivals from operating. There was a dispute which took three to four months to resolve: the local government and the Autocolca tourist authority supported the right of *las nuevas* to operate at the Cruz, and eventually a communal assembly agreed.²⁹

By 2010, a system of rotating shifts was in place: *las antiguas* would go up to the Cruz del Condor on one day, while *las nuevas*, who numbered approximately 45 women, split into two shifts that operated on two different days. The president of *las nuevas* explained that they contracted with local artisans, selecting the best work in terms of price and quality to sell at the Cruz. Alpaca-based items such as hats, gloves and scarves were also purchased in bulk from Puno to be re-sold to tourists.

Originally, the association established minimum prices, and anyone caught selling more cheaply would reportedly be in “dire straits”. More recently it had been agreed to take a “free market” approach, with the proviso that if a vendor was already negotiating with a tourist, no one else was allowed to undercut her. Meanwhile, internal conflicts had been overtaken by a common threat, as explained by the president of the association:

The guides and drivers [from Arequipa] tell the tourists, 'don't buy here, it's too expensive', because they have their own lookout points where they get

²⁹ At one stage women from Cabanaconde, Pinchollo and Maca – the next village up the valley towards Chivay – all sought to sell crafts and other products at the Cruz del Condor. Ultimately it was agreed that those from Maca should be excluded because they had access to “their own *miradores*” (RP 20).

their commissions...we're going to send a letter to the president of the guides [association] in Arequipa to put a stop to that...

...we had a little quarrel with 'las antiguas', but now we're thinking about joining the two groups, because the guides don't let you work.

(RP 20)

Like the local guides, the craft association had also received support from the Sierra Sur programme to receive classes in English and sewing, but attendance had become so poor that these had fallen by the wayside: the association even had to return a large portion of the allocated funds. The women of the association reportedly sometimes felt wistful about the lack of a market to sell their products in the village itself, or a workshop to demonstrate their crafts. However, during 2009/10 a proposal by the NGO Desco to contribute funding to exactly such a facility had been repeatedly frustrated, as it had proved impossible to obtain commitment for the use of a physical space in the community.

7.2.5 Contemporary situation: competition and disorder in Cabanaconde and Tapay

As of 2010, historical patterns of tourism continue in the Cabanaconde and Tapay districts. A regional government representative, local business owners, and my own observations coincided in estimating that around 15 percent of tourists to the Colca Valley arrive to the Cabanaconde area, which equates to approximately 22,500 visitors per annum. The high seasonal flux of tourism to the Colca (see section 7.1) is also seen in this area.³⁰ There is no official data on the proportion of tourists who arrive to Cabanaconde and Tapay through an agency but I would estimate this to be somewhat lower than in the Colca Valley as a whole: approximately two-thirds, with one-third arriving independently.

The great majority of visitors who arrive to Cabanaconde do so with the aim of trekking into the canyon (see Fig 7.7). The most popular route continues to be the two to three-day “circuit” to Sangalle, although those who arrive independently may take alternative routes, and a few undertake more adventurous, multi-day expeditions. It is possible to use the village as a base from which to visit (unmarked) local archaeological sites or make a day expedition on bike or horseback. However, there is no other obvious activity for tourists within the

³⁰ One participant estimated that at the busiest times there would be 150—200 people per night staying in Sangalle alone. On a day in mid-April, I estimated that there were approximately 50 tourists accommodated in the same locality, while on a weekend in late June I estimated there about 100 tourists distributed through the canyon.

village of Cabanaconde itself: there is no tourist office, no central crafts or produce market, no museum, and no regular performance of music or cultural activities. According to local accommodation providers, the majority of tourists stay only one night in the village. Many of the agency-organised trekking trips avoid staying in Cabanaconde entirely, leaving directly for the canyon on arrival, and only having breakfast in the village after trekking up from Sangalle and before returning to Arequipa.

Tourist flows are met with a plentiful supply of accommodation. At present in Cabanaconde there is one three-star hotel, one two-star hotel, a one-star hotel, and five budget hostels plus the municipal hostel, which mainly caters to local travellers.³¹ Within the canyon itself, there are five accommodation providers in San Juan, one in Tapay, two in Coshñirhua, one in Malata, six in Sangalle, and one each in the less frequently visited settlements of Fure and Llahuar. As seen in section 7.1, the increase in tourists has flattened off since 2006 while new providers have continued to enter the market. Table 8.1 shows that this has resulted in low average occupancy across the district, further exacerbated by the high degree of seasonality.

Table 7.2: Estimated average bed occupancy in Cabanaconde and Tapay districts³²

Accommodation providers	No. of beds	Tourist arrivals per year	Average nights stayed	Estimated occupancy
28	466	22,500	1.4	18.4%

Source: own elaboration from Autocolca accessed September 2010, Autocolca 2006a, personal observations.

The accommodation providers in Cabanaconde have diverse strategies for capturing their share of the tourist market. The three hotels obtain their business largely through agencies from Arequipa or Lima offering higher-priced tours to older clients.³³ The two and three-star hotels also reported obtaining about 20 to 40 percent of their clients directly through the internet, and these visitors are more likely to stay multiple nights. The owners of one of the two oldest hostels in the village, who spend part of the year in the United States, are content to accept small numbers of tourists through two travel agencies in Arequipa with which they have links.

³¹ Another large hotel which now dominates the town's skyline and has been registered since 2006 was still under construction and was meant to open in July 2010 but had not yet done so by the end of my visit.

³² The bed numbers are from the Autocolca web site's list of accommodation providers which although slightly out of date provides a plausible figure. The number of visitors is from the estimated 15 percent of total visitors to the Colca Valley that do treks in the lower valley. The nights per tourist figure is from a 2006 survey by Autocolca covering all visitors to the valley.

³³ Often as part of a package including other Peruvian destinations

The main daily drama in the Cabanaconde tourist industry comes from three of the economic hostels, who compete fiercely for independent (“free”) travellers that arrive by public bus from Arequipa and Chivay. At least two of these hostels sometimes send employees up the valley in the afternoon to meet one of evening buses from Chivay and try to convince any tourists on the bus to stay at the respective hostel. All three hostels routinely send representatives to the plaza to meet the buses when they arrive in Cabanaconde to confirm reservations or *jalar* (“pull”) any remaining tourists. This has resulted in some conflict and, on one occasion, a physical altercation which has left a lingering bitterness in the relations between two of the hostels.

This competition was recognised and commented on by most of the local participants, who agreed that it gave a bad impression of the village, dragged down prices and service standards for everyone, and restricted the ability to innovate, reinvest, or offer employment to more people. It had become part of the shared village narrative that some hostels offered to accommodate tourists for “eight *soles* with breakfast”, a price considered to be barely at subsistence level and to be incompatible with basic standards of cleanliness. A proprietor of one of the formal hotels opined that this kind of competition was “horrible” and commented that “for all I know, they don’t clean the sheets” (RP 14). One of the hostel owners, in defending his practices, insisted that “we clean the sheets every day” (RP 36).

Each of the three hostels involved in direct competition blamed one or both of the other two for reducing prices. Two of the hostels had originally attempted to agree minimum prices and negotiate complementary market segments (such as French-speaking vs. English-speaking tourists), but these accords broke down amidst mutual mistrust. One factor was that a hostel which had originally intended to work with the cheaper tour operators and their guides decided to join most other local providers in refusing to do so. Another factor is the differing origins of the hostels: one is owned by the family of return migrants that was involved in the very beginnings of tourism in Cabanaconde; another belongs to a recent, second-generation return migrant from Lima; and the proprietor of the third is originally from Ayacucho and worked in the area as a tour guide for six years after studying in Arequipa. The “local” vs. “outsider” dynamic is thus layered on top of the existing mistrustful ambience of the village.

The dynamic within the canyon itself and the district of Tapay is broadly similar, with prices even lower and competition stiffer, though perhaps somewhat less bitter. The standard price for a night’s accommodation in San Juan and

Coshñirgua is S/. 5—7, while the “confidential” tariff offered to agencies may be even lower. In a parallel to Cabanaconde, service providers in San Juan regularly go down to the bridge that crosses the Colca River (an obligatory bottleneck for tourists doing trekking) and compete to attract tourists.³⁴ Ironically, the prices in the Tapay villages are lower than in Sangalle (in Cabanaconde territory) even though the standard of accommodation and services is higher.³⁵ This may relate in part to market dynamics. Sangalle is a destination for almost all trekking tourists, while there is limited available land. Thus, although the six sites give the appearance of stiff competition, the market is less saturated: a couple of the providers accept bulk bookings from the cheaper tour operators, while the others share the “free” travellers and those travelling with higher-end agencies.

Fig 7.9 Examples of the tourist accommodation at San Juan de Chuccho (left) and Sangalle (right). Source:author.

There have been at least a couple of attempts in the Tapay district, one of them organised by the local mayor, to bring together tourist service providers to create a common front and establish minimum prices, but these have not been successful. As in Cabanaconde, there was mutual accusation between research participants regarding this situation. Two of the accommodation providers in San Juan de Chuccho blamed each other for the failure to reach agreement. Two independent participants in other villages also had differing estimations of who was most at fault for the failure to associate, although all agreed that “the problem is in San Juan” (RPs 41, 42). One participant said there had been a long-running legal case between two local residents related to these issues, although he preferred

³⁴ An exception to the pattern of competition and low prices is the central settlement of Tapay, where the one permanently active *hospedaje*, owned by a retired return migrant from Arequipa and his Cuzco-born wife, charges S/.15 for the night, much closer to standard rates for the region. This hostel receives the handful of tourists that make their way up to the Tapay village independently or with a couple of boutique tour operators. By the end of June 2010 there had been 300 visitors for the year to date.

³⁵ While few have access to electricity, the village *hospedajes* offer clean and pleasant rooms, and meals made from fresh local ingredients. In Sangalle, there is no water or electricity and accommodation is largely in bamboo huts.

not to name those involved or go into details.

7.3 Sibayo: the planned development of rural community tourism

NOMBRE APELLIDO	TOTAL	01	02	03	04	05	06	07	08	09	10	11	12
Julia Picha	22												
Paulino Begazo	16	2		2				2					
Natalia Mamani	20							2					
Dora Samayani	16	2		2				2					
Nieves Cutipa	16	2											
Karina Cutipa	15	2			2								
Ruth Supo	18	2											
Benita Picha	15			2				2					
Nila Picha	19							2					
Eduvjes Supo	15	2		2				2					
Gomersinda Supo	14			2		2							
Delia Sarayasi	14			2		2		2					

Fig 7.10 The whiteboard in the tourism promoter's office in Sibayo that keeps track of the numbers of tourists received by each family to date. Source: author.

The story of Sibayo offers a clear contrast to that of Cabanaconde and Tapay. While the latter districts saw opportunistic responses by individuals and families to a steadily increasing influx of tourists, in Sibayo the wider community made a decision that tourism would be central to their livelihoods and has taken deliberate steps to prepare for and attract tourists.

According to a representative of the Sibayo municipality, the defining moment for the development of tourism in Sibayo came in 2000 with the Sibayo District Strategic Plan, which was developed in a strongly participatory way. The representative pointed out that while in other districts the mayor and councillors usually sit down to write the plan by themselves, in Sibayo the whole community was brought together to put forward their ideas, and the resulting decisions thus had ongoing legitimacy. In addition, the municipality had begun to undertake a participatory budget process in the 1990s, well before this was established as obligatory by legislation.

In their plan, the community of Sibayo decided that there would be four “axes of development” for the district: alpaca herding, trout fishing, craft work, and tourism (some descriptions added a fifth axis, public services such as health and education). These axes were chosen based on the available natural resources in

the district, and the existing activities of its population (see section 6.4). They were all seen as complementary, with tourism the hub which would dynamise the other activities. The municipality encouraged the grouping of the local population into formal associations, which was assisted by the Sierra Sur programme in particular (see Appendix 1) and by the mid-2000s there were associations for each of the four main activities, with the tourism association (ASETUR) being established in 2006.

7.3.1 Return to the old town and the development of casas vivenciales

People in Sibayo were already aware of the nature and potential of tourism. Located just one hour from Chivay, residents commented on how they had seen the provincial capital transformed over the past twenty years. In addition, some tour operators undertaking the “conventional” Colca Valley circuit at times passed through Sibayo, although as one participant said: “they just stopped in the plaza; we didn't know how to take advantage” (RP 49). When tourism was chosen as one of the intended “axes of development”, it was decided to make a central attraction out of the traditional stone, thatched-roof architecture of the old town, the only well-preserved example of this style in the valley.

As described in section 6.4, during the 1970s much of the population of Sibayo had begun to settle near the bridge on the mining highway, leaving the old town nearly abandoned. With the prospect of increased economic activity, some families began to move back to the old town. The president of the tourism association estimated that the ten families living in the old town at the turn of the century had increased to approximately 50 by 2010.

Between 1999—2001, the municipality issued a series of *ordenanzas* or bylaws requiring the maintenance of traditional stone, straw-roofed construction in the old town and prohibiting the use of corrugated iron in particular, as well as adobe, cement, or other modern materials. This was originally met with opposition from local residents: while aesthetically pleasing, traditional construction is more expensive and time-consuming.³⁶ One way in which the municipality overcame this opposition was to promote local competitions with prizes for the best roof thatching and rehabilitation of stone façades. For the district anniversary in 2006, other competitions emphasizing local identity were organized, including decorative stone work, gastronomy, traditional dress, and myths and legends.

³⁶ A thatched roof in particular requires two years of preparation and maintenance before it “settles in”.

In 2006, the community sought funding to convert houses within the old town into *casas vivenciales*, or guest houses, where tourists could be accommodated. The municipality approached the Spanish development agency AECID, who originally declined on the grounds that rules prevented them from financing private dwellings. However, the municipality discovered that the old town was classified as a cultural heritage zone by Peru's National Institute of Culture, which therefore qualified it for public funding. AECID agreed to support the restoration and development of residences in Sibayo. The municipality convened those interested in the project, and the successful applicants were chosen based on criteria including having title to the property, being electors of the district, and having the basic conditions and capabilities to operate successfully. The project was undertaken in two rounds of six houses each between 2007 and 2008. AECID provided funding for materials and contributed technical expertise, while the participating families contributed labour.

The tourism initiative in Sibayo saw its first year of operation in 2008, receiving 590 visitors. This was widely reported in Peruvian and international media, presented as a flagship example of a “new” kind of tourism that would simultaneously offer different experiences to tourists and help address rural poverty.

7.3.2 Current situation: order and optimism but few tourists

In Sibayo there are now twelve families who have *casas vivenciales* and offer accommodation to tourists. These are straw-roofed stone constructions built around a central courtyard. The stamp of professional advisers and architects is seen in the basic but clean and well-serviced bathrooms, and the decorative touches in the simple bedrooms. According to research participants who have *casas vivenciales*, the aim is to share with tourists something of their lives and livelihoods. Visitors are invited to go with their hosts to fish for trout in the river, dig for potatoes, or carry firewood. They also help with and learn about the preparation of meals using traditional methods and ingredients.

At present, two agencies from Arequipa are the main sources of visitors. Both of these appear to work under subcontract with international or Lima-based agencies which organise structured tours for small groups throughout Peru.³⁷ The tourism association has set standard prices which must be adhered to by all families: a

³⁷ I conclude this from talking to the tourists and guide that arrived to Sibayo. When I asked in the relevant agency in Arequipa the young staff members were unable to tell me anything substantive about the relationship with Sibayo and suggested I would have to ask the (then absent) owner.

night's accommodation is S/. 15, and each meal is valued at S/. 10. The municipality employs a "tourism promoter", a rotating role of three months duration, which involves co-coordinating day to day administrative matters relating to tourism. One of the key tasks is to assign visitors to different houses as they arrive, in order to ensure that each family receives an equal number of tourists. A white board inside the tourism office kept track of how many visitors each family has received (see Fig 7.10).

Fig 7.11 Women who have guest houses wait outside the tourism office in Sibayo for the arrival of a tour group. Source: author.

There has been considerable thinking in Sibayo about how to provide a diversity of activities and to ensure that the benefits of tourism are distributed widely. As the tourism promoter said:

It's not just about casas vivenciales but tourism services too...the idea is that everyone participates.

(RP 45)

There are plans to offer rafting on the Colca River and mountain biking on nearby tracks as well as visits to the outlying *estancias*, where visitors can participate in the care of alpacas or cattle and witness traditional ceremonies making offerings to the earth. A further idea is to offer "llama treks" of three to seven days duration, following traditional barter trade routes across the altiplano.

Of the other "axes of development", the craft association in particular is linked to

tourism. Local craft work comprises weaving in alpaca fibre, including *chullos*, scarves and gloves, as well as embroidered items such as purses, belts, and spectacle cases. The association makes a monthly collection from participating producers, based on what has been in recent demand. An elected committee maintains quality control, particularly of the alpaca items: they ensure that products are 100 percent alpaca, of fine-quality fibre, and that the craftsmanship and finish are up to standard.³⁸ Craft work is sold from a small shop in the plaza, staffed in a rotating manner by members of the artisans association. The Sibayo artisans also have a small shop in Chivay, which the municipality supports by funding the rent and a contracted employee. In addition, during 2010 the craft association was able to inaugurate an exhibition workshop where artisans will be able to demonstrate their skills and processes to tourists. This was part-funded by the NGO Desco, which unlike in Cabanaconde (see section 7.2.4) had found its requirements for cooperation met by the municipality and the artisans association.

At present, an obstacle for the full development of the style of tourism envisaged by the Sibayo community is the relatively small number of tourists. One of the tour agencies was said to provide a “guaranteed” group on Fridays, while another agency arrived less reliably on Wednesdays. As can be calculated from Fig 7.10, by late May 2010 the community had received 239 visitors for the year, divided between the 12 families. In late June, participants commented that it had been quiet, with just 20 tourists arriving in the whole month. With the busiest months of the high season still to come, the community was still on track to receive more visitors than the 590 in the inaugural year of 2008. However, since then the number of *casas vivenciales* had increased from nine to twelve. A similar volume as 2008 would equate to just 50 visitors per family per year, or fewer than five per month.

Although descriptions of tourism in Sibayo emphasize the concept of *convivencia* (living together) and the idea that tourists participate in daily life, the reality at present is usually of somewhat more transient contact. The one tour group that came to Sibayo while I was in the village arrived around 2:30 pm and left early the next morning, and agency tour schedules suggest that a single night's stay is the norm. At no stage during my stays in Sibayo did I see any tourists that had arrived independently. There was little obvious information on Sibayo aimed at the independent traveller in either Arequipa or Chivay. Although the village is only one hour away from Chivay, transport services are erratic, and getting there required

³⁸ This is an important issue: throughout Peru, numerous shops, markets, kiosks and individual vendors sell cheap “alpaca” items. The majority of these are mass-produced, and any alpaca fibre is heavily blended with llama, sheep's wool and synthetic fibres. Traditionally woven items made from high-grade alpaca fibre are relatively rare and in theory command a premium price, but it can be difficult for tourists to tell the difference.

patience and commitment for this traveller, who had a Master's thesis as an incentive.

The slow increase in tourist numbers was of some concern to the Sibayo community. The manager of the municipality told me that “our dream is to have groups that arrive everyday” (RP 46); and most participants were eager to see more tourists. The planned third stage of the rehabilitation of houses had not occurred, in part due to lack of demand. This was a check on the expectations of some of the thirty members of the tourism association who also hoped to have *casas vivenciales*. The president of ASETUR considered that:

[The biggest] worries are world problems like the [Icelandic] volcano, the financial crisis...people could lose their enthusiasm if [tourist] flows continue to be low.

(RP 52)

The low number of tourists also made it difficult to retain commitment to tourism-related occupations. During June, the young woman who occupied the role of tourism promoter resigned from the position, reportedly due to the dual demands of family and alpacas. She was not replaced, and instead representatives of households with *casas vivenciales* took turns staffing the office, which in turn had to be balanced with their other responsibilities.

Through the alliances with public, non-governmental and private funders, Sibayo has in recent years developed an impressive range of infrastructure that serves both as tourist attractions and local amenities. The central plaza and main street have been splendidly restored and a village lookout, children's playground, bullring, football pitch and trout farm all developed in stylistically integrated stone designs, while AECID is supporting ongoing work to rehabilitate the village church. In 2007, Sibayo was chosen by the Ministry of Foreign Commerce and Tourism as one of the five national “pilot initiatives” in rural community tourism, and a representative of the regional Ministry office is stationed in the village. There are regular visits from NGOs and other institutions, and opportunities to participate in courses, attend fairs, and receive technical assistance in cooking, languages, and housekeeping, among others. In July, I visited the village with a team from the NGO Grupo GEA, who as part of their Mundo Colca programme had recruited a marketing consultant who had worked in the Peruvian travel industry and promised to establish links with large, formal travel agencies from Lima to attract more tourists.

7.3.3 Competition in Sibayo?

It would be an exaggeration to view the villagers of Sibayo as completely in harmony and without competitive tendencies. One participant admitted that there had been “*cierto miramiento*” (literally, some glances cast) towards those who had been lucky enough to have guest houses (RP 45). There was also some mild encroachment between theoretically complementary activities. For example, some residents who had *casas vivenciales* preferred to sell their weaving directly rather than through the artisans association. The acting administrator of the craft shop told me that when tourists arrived their hosts did not always bring them to the shop, and they had to rely on the tour guide or the local tourism promoter to ensure they had an opportunity to sell their products. However, such issues were small compared to the tensions and discord that were predominant in the lower valley.

Although competition was limited within Sibayo itself, some participants saw the community as potentially in competition with neighbouring districts. When I asked a group of women who had *casas vivenciales* what the actual or foreseeable negative impacts of tourism could be, one answered:

The fact that they want to have rural community tourism in [neighbouring district] Callalli is a risk – that's a big threat to us.

(RP 49)

When I repeated this to representatives of institutions in Arequipa and Chivay, they agreed that there needed to be education and awareness-raising to ensure that different communities saw their services as complementary rather than competitive. The president of the Sibayo tourism association also envisaged that the village would be part of a “circuit” linked to the rest of the Colca Valley, and that “if people want to stay the night in Callalli, they can” (RP 52).

Chapter 8: Research Findings II – Urban and Institutional Stakeholders

This chapter “zooms out” from the local narratives to provide an overview of other stakeholders involved in tourism in the Colca Valley. The first section summarise the results of a quantitative survey of Arequipa-based tour operators. The second explains the role and functions of the Autocolca tourism authority and the controversies that surround it. The final section provides an overview of the variety of institutions working to link tourism and development in the Colca Valley.

8.4 The role of the metropole: the agencies of Arequipa

Originally, I was unsure how much attention to pay to the operation of the tourism industry in the city of Arequipa. However, initial investigations in Cabanaconde and Tapay found that research participants repeatedly complained about the influence of the “agencies and guides from Arequipa” on the evolution of tourist activity. Tour operators were accused of using their market power as intermediaries to drive down prices of local businesses throughout the Colca Valley.³⁹ As described in section 7.2, residents also complained that agencies sent unqualified, underpaid guides from outside the area who were expected to bolster their earnings by seeking commissions from local businesses.

In addition, a survey by Autocolca (2006a) suggested that 78 percent of all tourists who visited the Colca Valley did so through travel agencies (see Fig 7.3). The intermediation by tour operators based in Arequipa thus clearly played an important part in the political economy of tourism. A thorough qualitative investigation of this intermediation was not possible in the time available, and in any case, the agencies that were most eager to talk tended to repeat the same criticisms as locals in the Colca Valley, blaming the problem on other “informal” or “irresponsible” agencies. An alternative approach was to use a survey to obtain quantitative information that would give some context to these criticisms.

I had formed a hypothesis that the one of the root causes of the complaints was the intensifying competition within Arequipa itself due to rapid growth in the number of small agencies that offered essentially the same activities to tourists. On several visits to Arequipa since 2004, I had noticed an increasing number of tour agencies on the main streets in the city centre. I had also spent some time

³⁹ The same complaints were made just as vehemently in casual conversations in Chivay, the provincial capital.

with local friends who operated an office of their adventure tourism business on one of the main streets. I became aware of a number of features of this competitive small business sector, including:

- The practice of “endorsing” tourists to another agency when the selling agency did not have enough clients to form a tour group, and negotiating with the operating agency over the price at which it would “receive” the tourists.
- The practice of undercutting another agency by offering a lower price for the same tour, especially through the use of *jaladores* (literally “pullers”), often tourism students or otherwise unemployed young people paid only by commission.
- The tendency for tourists themselves to “shop around” by walking from agency to agency and seeking the lowest price.

In order to begin to evaluate the hypothesis, the following questions needed to be addressed:

1. How many tour operators were there, and how quickly had their numbers grown?
2. What were the patterns of ownership, and how many people did the agencies employ?
3. From where did they obtain their clients?
4. How many offered specialised services and to what extent were they competing to provide the same tours?

I designed a survey with eight questions, which covered the agency’s ownership, time of operation, services operated or sold, means of obtaining clients, and personnel employed (see Appendix 5). After having this reviewed by the director of the tourism studies programme at the San Agustin University, I delivered it by hand to agencies and “talked through” the questions with each respondent, to ensure consistency of response.

8.1.1 Scope and limitations of the survey

I decided to restrict the survey to the agencies located in the area of high tourist traffic on the main streets north of Arequipa’s central plaza which offered activities including tours to the Colca Valley through visible forms of advertising. I excluded

agencies inside the defined area primarily advertising other activities⁴⁰; agencies based outside the defined area; and hotels and hostels.

I was able to apply the survey to 41 agencies that out of what I estimate to be approximately 75 that fulfilled all the criteria.⁴¹ In total, there are more than 200 registered travel agencies in Arequipa (Autocolca, accessed October 2010) of which an unknown number sell or operate tours to the Colca. However, those in the survey category are the most visible to foreign tourists and likely to account for the majority of direct sales.⁴²

8.1.2 Ownership, time of operation and employment

Of the 40 agencies that answered the question on ownership, approximately two-thirds (66 percent) of the agencies were owned by people from Arequipa, with one (3 percent) under joint Arequipan-foreign ownership. The owners of seven (17 percent) were from other provinces of Arequipa, of which four (10 percent) were from the Colca Valley. The remaining seven (17 percent) were from other regions of Peru, with just one owner originally from Lima. These results suggest that this link in the productive chain of tourism is controlled by the regional metropolis, with no notable enclave of either international or Lima-based ownership but also relatively little participation by Colca Valley residents.

⁴⁰ Such as the sale of air or bus tickets, or the organization of travel for Arequipa residents elsewhere in Peru or overseas.

⁴¹ Just one agency refused to fill out the survey. Of the others that fulfilled the criteria, either there was no one who could adequately answer the questions when I passed; they were closed at the time I passed; or I was unable to visit them in the time allotted for the survey.

⁴² In addition, hotels and hostels sell tours to the Colca, either through their own agency or informally taking commission on referrals to tour operators. Unregistered agencies, NGOs, and street touts complete the picture of this crowded market.

Fig 8.1 Origin of travel agency owners

The median time of operation for the surveyed agencies was six years. The longest time that an agency had been operational was 27 years. Eight agencies (19.7 percent) had been operational for more than ten years, and five (12 percent) had only opened within the last year.

Table 8.1 Length of time operational, surveyed agencies

Time operating (years)	No. of agencies
<1	5
1	2
2	3
3	4
4—5	4
5	1
6	3
7	4
8	3
9	1
10	3
<10	8

Thirty-eight of the agencies answered the question on employment. Of these, three pointed out that they hadn't been operational long enough to distinguish between high-season and low season employment. In almost all the agencies at least one owner worked at least part of the year. The average number of

employees (either permanent or temporary) was 3.9 in the high season and 3.0 in the low season.⁴³ Twenty-six agencies (63 percent) had two or fewer permanent employees.

Table 8.2 Average no. of people working by high and low season, surveyed agencies

	High season (38 agencies)	Low season (35 agencies)
Owners	1.4	1.1
Permanent contract	2.2	2.0
Temporary contract	1.7	1.0

8.1.3 Source of clients and activities operated or endorsed

Two questions asked respondents to provide percentage breakdowns for the source of their clients and the activities or services they sold. These breakdowns could not be weighted by the size of each agency's total sales, so there is little value in reporting averages across all agencies. However, they did allow a ranking of the most important activity and source of clients for each agency.

For 25 of the 41 agencies (61 percent), the most important source of business was direct sales from the street. For 12 (29 percent), the most important source was other Peruvian travel agencies. One agency each cited their most important source of clients as, respectively, schools, foreign travel agencies, word of mouth through guidebooks and magazines, and direct sales through the internet.⁴⁴

For 80 percent of agencies, tours to the Colca Valley (either conventional or trekking) were the most important or equally most important activities. There were few specialised agencies, with two citing mountain climbing as their most important activity, one specialising in rafting, one in trips to the Cotahuasi Canyon area⁴⁵ and one in tours in the Puno region.

⁴³ The fact that some agencies reported a lower number of permanent employees in the low season than the high season raised some questions about their working definition of "permanent".

⁴⁴ Although in this last case, the agency's web page did not have any content, casting doubt on their assertion that 40% of sales were made directly through the internet.

⁴⁵ The Cotahuasi Canyon was until recently thought to be even deeper than the Colca (although this is now disputed) and the surrounding area said to be even more beautiful. However, it is an arduous 11 hours from Arequipa on poor roads and thus receives few tourists.

Fig 8.2 Most important activities by numbers of agencies

Two further questions asked respondents to indicate which activities they operated, and which they (at least sometimes) endorsed to other agencies. This showed trekking to be the activity with the most direct competition. While almost all the agencies sold both the Colca conventional and Colca trekking tours, 35 out of 41 (85 percent) operated the Colca trekking tour compared to 30 (73 percent) who said they operated the Colca conventional tour. In addition, 23 agencies (56 percent) said they *only* operated and never endorsed the trekking tour, compared to just 14 (34 percent) for the conventional tour. This is likely to reflect the smaller group size required for trekking trips.

Fig 8.3 Activities operated and endorsed, by numbers of agencies

8.1.4 Growth in number of agencies compared to growth in tourist flows

Figures 8.4 and 8.5 compare the percentage growth in tourists visiting the Colca Valley, based on data from Autocolca, with the growth in the number of agencies, based on those in my sample and using the data on time of operation summarised in table 8.1. While we should be careful in assuming my survey sample to be representative of all agencies, the comparison suggests some interesting trends. Fig 8.4 shows that from 1998—2009 the growth in total tourists kept pace with the growth in (surveyed) agencies, but from 2006 the number of agencies grew more quickly than international tourists – who are far more likely to engage in trekking or other alternative tourism. Fig 8.5 shows the trend in “all adult” tourists, using a base year of 2000, when Autocolca began to keep count of students separately from other Peruvian tourists. This shows that from 2005 there was a notably steeper growth in agencies than in all adult tourists.

Fig 8.4 Growth in number of (surveyed) travel agencies and volume of tourists, 1998—2010

Source: own elaboration from Autocolca (2006a, 2010a) and original survey

**Fig 8.5 Growth in number of (surveyed) travel agencies and volume of tourists, 2000
—2010
(2000 = 100)**

Source: own elaboration from Autocolca (2006a, 2010a) and original survey

8.1.5 Regulatory context

In addition to the survey, I was able to interview an expert on travel agencies within GERCETUR, the regional office of the Ministry of Foreign Commerce and Tourism, who explained that in 2004 there had been an important regulatory change relating to travel agencies. Prior to this, there were stricter requirements for travel agencies, including possession of an appropriate insurance policy and a bank guarantee, with minimum amounts depending on the kind of activities undertaken. In 2004, new regulations were established that reduced or removed many of these requirements: in effect, all that was required to be formally registered as a travel agency was to have a separate space within a locale set aside for this activity.⁴⁶

There is some evidence from the survey that this change encouraged the appearance of more agencies: it can be seen in figs 8.4 and 8.5 that the growth in number of agencies steepens from 2005. This is also consistent with the anecdotal evidence that hotels and hostels have become more involved in selling and even operating tours in the last five years. According to the GERCETUR representative, the regulatory change was meant to “encourage formalisation” and was implemented after broad consultation with the tourism industry. However, since the change, in his personal opinion, services had suffered and there were

⁴⁶ Supreme Decree DS026-2004 MINCETUR, published on 26 November 2004.

“many more complaints” from customers than under the previous regulations (RP 70).

8.1.6 Preliminary conclusions

The survey results provide qualified confirmation of the hypothesis. In the centre of Arequipa there are a large number of small-scale tour operators that concentrate on the Colca Valley as a destination and obtain the bulk of their business by selling directly to tourists. They are generally owned by residents of urban Arequipa, employ few people and have limited specialisation. The number of agencies has increased steadily over the past decade, and may have increased more rapidly than the number of tourists. This brief survey did not seek information that could be considered sensitive such as detailed questions on prices, client volumes or profit levels. However, anecdotal information and my personal experience indicate that in many of the smaller agencies the operating margin is only a few dollars per tourist.

It is important to acknowledge that while there were many complaints about the “agencies of Arequipa” from Colca Valley residents, several participants stressed that not all agencies were the same. A handful of agencies were said to be “responsible” or to be “compatible with sustainable tourism”, because they paid fairer prices to local service providers and were generally more professional. The five agencies that were named by more than one participant had different characteristics to the majority of agencies in my survey sample. All but one had been operating for more than ten years. Two were owned by well-known professional guides who were recommended in multiple travel publications. One was attached to a well-known four-star hotel, while another had been operating for more than twenty years and reported that other Peruvian agencies were its most important source of clients. The fifth was established by an expatriate German and made most of its sales directly through the internet or through agencies in Europe.⁴⁷ These “responsible” agencies thus all had alternative connections with national and international markets and had much less need to participate in the competition for tourist foot traffic.

⁴⁷ This agency is based outside the defined area and was not included in my survey sample but is known to me personally.

8.2 Autocolca and its critics: the trouble with taxing tourism

By the mid-1980s, the fame of the Colca Valley had grown and its potential for tourism was already clear. In 1986 the Peruvian Congress passed special legislation establishing the Autocolca authority to oversee tourism in the Colca Valley and other significant natural areas in the Arequipa region. Autocolca was created as an “autonomous authority” controlled by a board of directors comprising mainly regional government and business representatives.

The legislation required Autocolca to promote tourism as well as preserving natural, cultural and historical heritage, regulating tourist activity, and preventing environmental depredation. In addition, it was required to both support and supervise tourist services, and maintain an official guiding service. Some of these objectives appeared conflicting, and the legislation did not bestow Autocolca with the power to carry all of them out. In addition, only one ambiguous phrase suggested that tourism should provide developmental or other benefits for the local population.

Autocolca has never attempted to carry out the objectives relating to guiding or supervision of hotel and restaurant services. Until 1997, it had to rely on transfers from the regional government and the meagre income generated from the Achoma Staff facility, the former base of the Majes hydroelectric project. The practice of charging for a “tourist ticket” to the Colca Valley was introduced in 1997. This ticket gives the holder the right, for a period of one week, to stay in the Colca Valley and access any of the tourist attractions including the Cruz del Condor. Its price has evolved as shown in table 8.3. There have been two sharp increases, the first a tripling of the price for international visitors in 2004, and in 2006, a near doubling for both international and adult Peruvian tourists.

Table 8.3 Colca Valley tourist ticket, 1997—2010

	1997	2004	2005	2006—10
International tourists	\$2 USD	\$6 USD	\$7 USD	S/. 35.00
Peruvian adults	\$2 USD	\$3 USD	\$3 USD	S/. 17.50
Peruvian students	\$1 USD	\$1 USD	\$1 USD	S/. 3.50

Source: Autocolca 2010b

The structure and operation of Autocolca has long been a source of dissatisfaction for almost all stakeholders in the Colca Valley. Until the increase in value of the tourist ticket in 2004, the authority had insufficient income to do much more than

sustain its own operations (Autocolca 2006a, 2010c). In addition, even current staff of Autocolca admit that for the first phase of its existence, the authority was run in accordance with “regional interests” and did little that directly benefited local populations (RP 61).

During May 2005, Colca Valley residents undertook a *huelga* or general strike that lasted ten days, blocking the road between Arequipa and Puno (thus cutting off the Colca Valley) as well as part of the southern Panamerican Highway. Their key demands were for control of the administration of Autocolca to be passed to local governments, and for the paved highway into the Colca Valley to be completed (Adaui and Ojeda 2005). Led by representatives from Arequipa, the Peruvian Congress acceded to the principal demand and modified the law relating to Autocolca. The modified law established a new governing board with a majority held by district and provincial representatives.

Autocolca now has a budget of approximately S/. 4 million per annum derived directly from the tourist ticket. From 2010, a dedicated budget of S/. 300,000 is directed to promotional activities. Most of the remainder of the budget goes towards projects prioritised annually by the governance board on the basis of detailed proposals put forward by district municipalities. Thanks to the increase in revenue, Autocolca’s expenditure on infrastructure and projects has increased from a total of just S/. 370,000 in the seven years from 1997—2003 to S/. 6.7 million in the four years from 2006—2009 (Autocolca 2010b).

Despite these changes, most participants in my research were critical of some aspect of Autocolca. Criticisms were particularly prevalent in the lower valley areas of Cabanaconde and Tapay, where residents considered that, in addition to the self-interest and incompetence thought to characterise all bureaucratic and political institutions, Autocolca was also dominated by Chivay-based interests that marginalised the lower valley. Participants ranging from local guides to the mayor of Cabanaconde said that Autocolca had done “little or nothing” for the district. Participants in the Tapay district complained that Autocolca had not visited the area (only accessible by foot or mule) and did not understand its reality. Several participants in both districts pointed to the lack of basic supporting infrastructure for tourism such as rubbish bins and signposting along trekking trails, which they believed should be the responsibility of Autocolca. Others complained about the poor state of the road through the lower valley beyond Chivay

A representative of Autocolca acknowledged criticisms of the authority from travel agencies, local community members and NGOs. He felt that some of these were based on misinformation about the size of the budget (one figure cited was \$20

million USD) and unrealistic expectations. The representative explained that Autocolca was not permitted to fund the sealing of the main highways running through the Colca Valley since these were classified as national roads. Furthermore, road sealing is very expensive, with just 1 km of asphalt costing \$800,000 USD: a couple of kilometres would exhaust the entire annual budget. He said that local governments that had received a contribution from Autocolca towards infrastructure improvements did not always acknowledge this on the plaques that commemorated the works. However, he noted that Autocolca had been working more closely with municipalities and NGOs over the past couple of years and had “smoothed the edges” of these relationships (RP 61).

Nevertheless, participants from a range of backgrounds continued to express scepticism about the efficiency and transparency of Autocolca, with at least one NGO representative agreeing that there was not only excessive bureaucracy but also “manipulation” in the allocation of resources. The mayor of Cabanaconde challenged the cited per-kilometre cost for tar-sealing and complained that when the municipality put forward a proposal for sign posting in the canyon, Autocolca requested an *expediente técnico* or detailed business case, which would have cost a significant portion of the entire project.⁴⁸

Such was the dissatisfaction with Autocolca that some agencies in Arequipa and accommodation providers in the Colca Valley encouraged tourists not to buy the tourist ticket. Some questioned the legal basis for charging the fee when the majority of the territory is privately or communally owned and the only park or reserve is at the Cruz del Condor lookout. A more common objection was that the money was not being used to benefit local communities or businesses.

Allowance must be made for the fact that only in the past four to five years has Autocolca had both locally-oriented governance and a budget anywhere near proportional to the claims made on it. On the other hand, it was indeed remarkable that services as fundamental (and cheap) as signposting and waste disposal on the canyon trails had not been put in place in nearly 25 years, especially when these related to some of the most important preoccupations of local residents such as environmental contamination and tourist security.⁴⁹

⁴⁸ He pointed out that the Cabanaconde—Cruz del Condor road was being sealed at a cost of S/. 9 million for 12 kilometres, which equates to approximately \$250,000 USD per km. It is also worth noting that for the 2010 year Autocolca had made a priority allocation of S/. 800,000 towards the sealing of the Tuti—Sibayo road (a route of far less importance to tourism or the local economy than Yanque—Cabanaconde), before the regional government assumed the entire cost of the project.

⁴⁹ The latter was of particular concern to local guides and accommodation providers worried that they would be held responsible for trekkers getting lost or injured).

From a research perspective, it is perhaps less important to weigh claims and counter claims than to recognise the controversies inherent in the changing views of what Autocolca is or should be. What had started out as a technocratic authority charged with facilitating tourist activity had become a politicised institution with the power to tax and redistribute, and this was reflected in the differing opinions about how Autocolca could be improved. Some within Autocolca considered that the organization ought to have more autonomy to evaluate and undertake projects and avoid the excessive bureaucracy associated with having all its funds pass through the Caylloma provincial government (Autocolca 2010c). The mayor of Cabanaconde thought that the governance board should be “elected democratically” by all the district mayors of the province rather than through the current system which he claimed allowed domination by the provincial mayor and his political allies. Failing that, he thought perhaps each district should have the ability to charge its own tourist ticket and distribute the proceeds for local projects, “as is done in Cuzco” (RP 35).

However, perhaps the most common response from participants was to express general scepticism about the possibility of reform. Criticism of Autocolca was often included alongside general complaints about “the authorities”, which included local governments and other holders of political and bureaucratic power, who were all thought to seek and manipulate such offices for personal interest and self-aggrandisement. Since “they all steal”, there was little point in thinking seriously about institutional improvements.

8.3 The role of institutions

Chapter 4 provides background to the vision of tourism as a sector that might promote more inclusive development in Peru. As discussed there, the 2008 PENTUR plan is notable because it sets the expectation that tourism can and should contribute to the reduction of poverty and marginalization, especially through the “rural community tourism” model. By 2010, a broad range of institutions in Arequipa and the Colca Valley were making this connection, ranging from tourism-focussed institutions that had joined up to the emphasis on rural development, to development-focussed organizations that had come to see tourism as an important and potentially beneficial activity. Towards the end of 2008, a “Tourism Technical Committee” was formed to allow these institutions to coordinate their activities. This committee had monthly meetings in Chivay. Appendix 1 provides a detailed summary of the key institutions that participate in the committee, covering their institutional type, funding, and stated objectives.

This summary helps underline the importance of Autocolca, given that on a per annum basis its dedicated budget is nearly as large as that of all the other institutions combined. The regional bodies (GERCETUR, CID-AQP and OGD) were based in Arequipa, while the others all had offices in Chivay. The Chivay-based institutions mostly included professionals from Arequipa or other regions of Peru, in addition to local staff. However, at least some of the technical experts and project coordinators were originally from the Colca Valley area.⁵⁰

8.3.1 Institutional philosophies

In interviews, the main reasons that institutions gave for linking tourism to development were that:

- a) Tourism was seen as offering opportunities for employment and income generation, not just in accommodation and food services, but also through craft work, local guiding, cultural activities, and indirectly for agricultural producers.
- b) Tourism was seen as synergistic with efforts to promote environmental sustainability and strengthen local identity.
- c) Tourism had already become an important part of what one NGO representative described as the “economic vocation” of the Colca Valley, and a portion of the local population were involved in tourism or wanted to be.

The specific objectives of the different institutions can be grouped into five broad categories, although the first four might be described as categories of intervention and the fifth as an overarching theme or philosophy:

1. Promotion of *asociatividad* through the formation of associations, consortiums, committees and other forms of civil society organization.
2. Improvement and diversification of products, particularly through the *capacitación* (best translated as “skills training”) of local people.
3. Improvement or rehabilitation of key infrastructure, including architecture, archaeology and walking routes.
4. Connection of local producers to markets through publicity, marketing and other strategies such as trade fairs.

⁵⁰ A notable feature was the diminished presence of the regional government ministry (GERCETUR), which had no office or permanent staff in the Colca Valley. In fact, the NGOs Desco and GEA together would have had more Chivay-based workers than the entire staff of the regional tourism ministry in Arequipa.

5. Emphasis on environmental sustainability and the recovery or strengthening of local identity.

The philosophy of most of the institutions can be characterised as somewhere between neostructuralism – with an emphasis on competitiveness and access to markets – and “grassroots” alternative development – with an emphasis on identity, sustainability and participatory approaches. Representatives of different institutions gave similar, pragmatic responses to my questions about how they defined “development” and what counted as the “improvements in quality of life” that were cited as the objectives of their interventions. The fundamental aim was to help generate additional income for local people by obtaining greater economic value from their existing activities. This would then allow improvements in nutrition, better access to education and health services, and the strengthening of families and communities.

Most institutional representatives stressed that tourism offered important potential for additional income for those involved in traditional activities such as agriculture, herding or craft work, but that it should be *complementary* to these activities rather than replacing them. A representative of Sierra Sur explained that its philosophy was to “recognise local knowledge and strengthen [local people’s] strategies, based on their own potential”. He stressed that local communities in the sierra had developed creative survival strategies over 500 years and the idea was to “strengthen that, and give it a theoretical base” (RP 71). Likewise, a representative of the NGO Desco stated that “development starts with respect” and stressed that the concept of *interculturalidad* (roughly, intercultural exchange) was fundamental to the NGO’s approach (RP 63).

A number of institutional representatives stated that they aimed to avoid what they referred to as the “welfarism” (*asistencialismo*) and paternalism that had been practised in the past by NGOs and international development institutions. All the institutions required active local participation in the projects they funded, including a *contrapartida* or matching contributions from either or both the local municipality and the project beneficiaries. In many cases this involved the funding institution providing materials and technical expertise while the community provided manual labour. However, Sierra Sur insisted that the *contrapartida* (usually around 30 percent) be in cash rather than in kind. It also used an innovative approach whereby technical experts were engaged in a contractual relationship by the group of beneficiaries, rather than by the institution itself. Likewise, Asdeturconv Colca had decided to charge at cost for its educational programmes, on the grounds that previous welfarism had “upset the cultural order” and that “people don’t value what they don’t pay for” (RP 65).

8.3.2 Operation of the Tourism Technical Committee

Given my findings on the evolution of tourism in the Colca Valley and the problems discussed in chapter 7, the actions summarised in points 1 to 5 appeared generally appropriate. However, from my discussions with the various institutions and attendance at meetings of the Tourism Technical Committee, I concluded that there was not yet real coordination or prioritisation of these actions. Each institution seemed to carry out its activities based on its capacities and interests, to a certain extent driven by commitments to external funders. Collectively, the institutions offered a plethora of seminars, classes and workshops, which at least in some cases related to quantitative targets set out in project plans, but there was less commitment to working in a sustained way on specific problems. This meant that there continued to be both gaps and duplication in their activities.

To cite just one example, several different institutions were working to promote *asociatividad*. One of the key objectives of Sierra Sur during its first phase had been to facilitate the formation and registration of associations. The NGO Desco had stimulated the formation of tourism boards or *patronatos* in the various Colca Valley districts. CID-AQP had been promoting the development of consortiums of small accommodation and restaurant providers in order to gain economies of scale when purchasing supplies. As part of the development of five tourism “micro-corridors” Grupo GEA aimed to develop three “associative tourism networks”, as well as a community committee with an individual business plan in each of the micro-corridors.

At the same time as this increasing variety of civil society groups was being evolved, the local guides association of Cabanaconde was struggling in vain to receive some support to regain its formal status and understand the impact of regulatory changes that had recently come into force (see section 7.2.3). There also appeared to be unmet potential to assist the two groups of women working at the Cruz del Condor to join forces (see section 7.2.4). Further, the tourism service providers and local authorities in Tapay had made failed efforts to establish agreements on pricing standards, allowing ongoing exploitation by the agencies from Arequipa (see section 7.2.5). Here, it seemed that some sustained outside assistance could have been useful in working through the obstacles to association and collaboration. However, local participants reported that although NGO representatives had visited, they had not offered the kind of “orientation” they felt was needed but had provided instruction in things like the treatment of tourists –

when some local providers had been working in tourism for ten years or more.

While the institutions involved in the Tourism Technical Committee acknowledged that their coordination was imperfect, most were happy that others were working in the same area and were optimistic that there would continued improvement. A representative of Sierra Sur opined that “the more that get on board, the better” (RP 71), while representatives of Desco, Grupo GEA and Autocolca all felt that communication and coordination had improved significantly even in the past six months.

8.3.3 The role of local governments

It was notable that several different institutions claimed a central role in the perceived success of Sibayo while at the same time acknowledging the important role played by the municipal government. The founder of Asdeturconv Colca claimed that he had originally brought back the philosophy and concept of rural community tourism from studies in France.⁵¹ When he and associates presented their ideas to the various local governments, only three districts took an interest, and only Sibayo came to see them more than once. Likewise, a representative of Sierra Sur highlighted the institution's role in preserving the architectural heritage of the Sibayo old town, while recognising that “the local mayor was committed to preserving the old houses”. The representative also noted approvingly that Sibayo had “copied” the Sierra Sur tactic of using small-scale competitions to allocate funds (RP 71).

As described in section 7.3, the distinguishing feature in Sibayo was the existence of a strategic plan that had continuity and broad community buy-in. In addition, the municipal administration had proven unusually adept at understanding and working through bureaucratic processes. Thus, while the contributions of the various institutions were not necessarily well coordinated, local government leadership had given them an overall coherence.

The key role of local government in linking tourism and development was well recognised by the various institutions, who saw the municipality as being the body best able to facilitate the participation of local populations as well as having the territorial authority to make plans and projects feasible. As stated by the founder of Asdeturconv Colca: “without active participation of the local authorities, it's not going to work” (RP 65). The “Municipal Management of Tourism” conference,

⁵¹ According to him, the PENTUR had directly copied ideas he had contributed, to the extent of retaining spelling errors and reverse-translated French phrases.

organised by the NGO Desco in April 2010, reflected this recognition.

Despite general agreement on the important unifying role of local governments, the approach taken by the Sibayo municipality was the exception rather than the rule. While the aforementioned conference was relatively well attended by students, NGOs, and small businesses, there were only intermittent appearances from provincial government representatives, and the only municipalities to actively take part were Sibayo and Yanque. Along with Autocolca and travel agencies from Arequipa, local authorities were among the organizations most criticized by research participants. Municipal governments were said to be disinterested in or ignorant about tourism quality or sustainability, and participants complained that those within municipal administrations responsible for tourism lacked qualifications for this role. “The authorities” were also accused of providing insufficient support to local initiatives, being negligent towards the environment and local identity, and failing to engage or consult with the local population.

Chapter 9: Research Findings III – Analysis and Discussion

This chapter moves on to discuss the significance of the research findings and address the key questions of the thesis. The first section provides an overview of the political economy of tourism in the Colca Valley, analysing the reasons *why* tourism has evolved in the ways described in chapter 7. The second section assesses the economic impacts of tourism in the case study areas, evaluating the extent and distribution of any benefits. The third section describes the social, cultural and environmental impacts of tourism. The fourth section compares the attitudes and expectations towards tourism of institutions, small businesses and community members. The final section returns to the differences in social and cultural context between the case study areas described in chapter 6, arguing that these have been crucial in shaping the different responses to tourism.

9.1 The political economy of tourism: the reproduction of competition and conflict

Chapter 7 highlights the themes that were perhaps of most concern to participants directly involved in tourism: destructive competition and conflict. These were reproduced at different levels: between Arequipa and the Colca Valley, within Arequipa, and within the rural localities themselves. Ironically, this situation was influenced by factors that would generally be seen as positive within the tourism literature. For the most part, tourism in the Colca Valley had developed in a spontaneous, informal way. It had not involved either:

- a) the reshaping of the environment to create a tourist “bubble”, such as in resorts or other examples of “mass” tourism; or
- b) the enclosure of a natural space into a park or reserve, where existing local uses of natural resources may be restricted, as in some examples of ecotourism (see Barkin 2002, Carrier and McLeod 2005, Udhammar 2006).

The spaces of tourism in the Colca were also relatively “open”, in the sense that there was no single focus with naturally or artificially restricted access. This appears a positive contrast with tourism in Peru's most popular destination of Machu Picchu, where access is controlled by the State, in the form of the National

Institute of Culture, and the multinational Peru Rail, which has a monopoly on the only direct transport link from the city of Cuzco (see *The Economist* 22 April 2010). Yet, fierce competition meant that overall value obtained from tourism in the Colca was comparatively low.⁵² The following section considers some factors that influenced this situation.

9.1.1 Structural factors influencing tourism development

In the Colca Valley, the great majority of the land remained in local private or community ownership. In the areas around Chivay, which is the focus of high-volume “conventional” tourism, a number of formal hotels had been established by urban or international investors,⁵³ but in the case study areas of Cabanaconde and Tapay almost all tourism services had been established by people with local origins. As will be explored further in section 9.2, they were often return migrants from Arequipa or Lima and in some respects were *both* “locals” and “outsiders”. However, in neither locality had there been penetration of “big capital” or overseas ownership.

Despite local ownership of land, Arequipa-based tour operators had gained an advantageous position as gatekeepers to the Colca Valley. Because of the relatively poor quality of public transport – in turn influenced by the state of the roads – a high proportion of tourists relied on private transport, allowing the operators to control where tourists went and with whom they interacted. Given the paucity of detailed information about the Colca Valley, travel agencies also had a *de facto* position as information providers,⁵⁴ and most of them promoted the same stereotyped two to three-day guided tours.

Section 8.1 has shown that tour operators faced intense competitive pressures of their own, with the number of small agencies increasing more rapidly than the number of tourists. In addition, although trekking tourism to the case study areas of Cabanaconde and Tapay was a niche activity in terms of volumes, it was actually more competitive than the “conventional” minibus tours. This was

⁵² While tourism to the Colca provided an estimated \$10 million USD revenue to the local economy, Peru Rail’s parent company made a \$12.8 million *profit* on its Peruvian tourism operations in 2009 (*The Economist*, op cit.)

⁵³ The “Las Casitas del Colca” hotel near Chivay is owned by the same multinational consortium as Peru Rail.

⁵⁴ The municipal tourist information office in Arequipa mainly provides information about the city itself. Autocolca has an information office in Chivay, but this has low visibility to tourists. There are no official booklets or brochures on the Colca, no written guide to walking trails, and no directory of service providers or explanation of transport services.

because trekking could be provided in smaller groups, with a less experienced guide, and there was no formal regulation of those entering the area, as there is on the Inca Trail in Cuzco. Faced with this competition, tour operators had made sustained efforts to drive down costs. Some participants pointed out that buying a trekking tour through an agency could actually cost a tourist *less* than following the same route independently: not only did travel agencies negotiate lower prices from local service providers, they also structured the tour to avoid staying or eating in Cabanaconde and took advantage of family *hospedajes* in the canyon. As one participant in Tapay complained:

Some agencies even send their guides here to cook; they burn our firewood and use our kitchen implements.

(RP 40)

A key reason why this dynamic had been perpetuated was the weakness of civil society organisation at different levels. As described in section 7.2, tourism services in Cabanaconde and Tapay had been unable to present a united front to Arequipa-based agencies, due to mistrust, differing backgrounds and different agendas. At the same time, the agencies themselves were disorganized: the great majority of the newer and smaller tour operators did not belong to AVIT, the Arequipa travel agencies association. This was highlighted by the mayor of Cabanaconde, who noted that:

It's all linked, in a disorderly way...despite [the agencies of Arequipa] having an association, they don't have control...it's a chaos.

(RP 35)

A variety of explanations were given for this “chaos”. As seen in chapter 7, in Cabanaconde and Tapay small business owners blamed each other, but especially the agencies and guides from Arequipa:

[They're] poison for tourism in Cabanaconde, the agencies, hotels and hostels of Arequipa...the agencies sell at very low prices...the guides come infested with commissions and lies.

(RP 1)

Established agencies also complained of the growth of “irresponsible” and

“informal” operators. Institutions working in the Colca tended to see the problem as lack of civil society organization as well as failure to offer a diversified range of services and attractions. As the founder of Asdeturconv Colca noted:

In the Colca we go with the fashion...if potatoes are getting a good price, everyone sows potatoes. It's the same with tourism...the prices get pushed down.

(RP 65)

While agreeing that these were all proximate causes, I concluded that the reproduction of zero-sum struggles could not be understood apart from the national political and economic context described in chapter 4. As outlined there, Peru's recent economic growth has been capital-intensive and narrow, while underemployment persists and real wages have remained at or below 1990s levels. This has resulted in an intensely competitive sector of small businesses and informal entrepreneurs seeking to make a living. The relatively open, deregulated nature of tourism in Arequipa and the Colca Valley had provided new opportunities for a range of people as service providers, tour operators and guides – but given the relatively low expectations, lack of capital and low risk tolerance of most, this had resulted in excessive concentration on the same stereotyped routes and services. The extremely reduced position of wage labour meant that people continued to start small businesses even in the face of diminishing returns.

Although Sibayo was held up as a positive example for its community-oriented approach, this had been achieved in the absence of spontaneous tourist interest, which as section 7.3 explains presented its own serious challenges for the tourism project. Lack of control of transport or marketing saw Sibayo ultimately even more dependent on tour operators than Cabanaconde and Tapay. Although there was cohesion *within* the community, growing interest in the rural community tourism concept raised the possibility of competition with other nearby communities such as Callalli. It was not yet clear whether Sibayo would be able to avoid the cycle of competition and conflict and achieve an “orderly” development of tourism.

The structural factors described in this section must be acknowledged as constraining and partly determining the actions of individuals and groups. As seen in section 8.1, the handful of agencies considered “responsible” were those who could at least partly free themselves from the intense competition, mostly through

having independent or more direct links to international markets. People within the Colca were also developing strategies to escape destructive competition. Some of these strategies are described in the following section, while section 9.4 looks at the different views of communities, business and institutions on how to improve tourism.

9.2 Economic impacts of tourism

This section evaluates the economic impacts of tourism in the case study areas. It covers both the direct and indirect economic impacts of tourism, assesses the extent of any benefits, and analyses who had gained access to these.

9.2.1 Economic impacts of tourism in Cabanaconde and Tapay: tourism services

In Cabanaconde and Tapay, the most obvious economic impacts of tourism were for the few families that had established accommodation and restaurant services. In Cabanaconde, most hotels or hostels were expansions or modifications of an existing residence within two blocks of the main plaza, a zone traditionally occupied by families of greater influence.⁵⁵ In both districts, the majority of tourism service providers were first or second-generation return migrants who had accumulated capital in Arequipa or Lima or at least had experience of business and employment in the cities. In Cabanaconde, several were tertiary-educated professionals. However, in the national context most were originally from relatively humble backgrounds, especially in Tapay. For many families, involvement in tourism was the latest stage in multi-generational efforts to get ahead or just stay out of poverty. The proprietor of one of the *hospedajes* in Sangalle described how his current situation of relative prosperity had been won from years of hard work including migrant labour elsewhere in Peru:

I must have invested SI. 100,000 these last few years...[but] I began from a state of poverty thirty-eight years ago.

⁵⁵ An interesting finding involved the links to tourism of historically powerful families in both districts. Although Gelles (2000) uses pseudonyms for the families that dominated Cabanaconde's political and economic life until the 1960s (see section 6.3), I was able to obtain enough anecdotal information about local history to conclude that at least some of the hotels or hostels belonged to descendants of those families. Likewise, the one accommodation provider in the central settlement of Tapay had hereditary links to the Spanish priest and his family who established themselves as socially dominant in the 19th century (Paerregaard 1997). Not too much should be concluded from this. As Gelles notes, there were poor community members of Spanish descent and even from the dominant families, while there were also relatively wealthy and powerful "Indian" families.

(RP 15)

Since the mid-2000s stagnation in tourist numbers, the entry of more providers, and loss of control to Arequipa-based agencies, had created intense competition and diminishing returns. Despite these challenges, most of those who had established tourist accommodation services felt they had benefited over the long term. Most had built more rooms and beds and in Cabanaconde at least two of the providers had expanded into other locations. A number of sites in Cabanaconde village, Sangalle and the Tapay district were actually making expansions or modifications when I visited in 2010.

Some participants with experience in other sectors argued that as a stand-alone business strategy, tourism was not all that lucrative. One participant in the Tapay district stressed this point, noting:

The budget that tourism leaves you isn't a lot, but it does help you live... when I think about how difficult it was to bring all the things [down into the canyon]...my friends who went to grow crops on the coast, now they've got their great big cars.

(RP 39)

On the other hand, a tourist accommodation service appeared to be a relatively low-risk initiative. In many cases it involved the improvement, expansion or re-use of existing family resources – such as the return migrant in San Juan de Chuccho who described bringing his children's beds from Arequipa to provide for tourists. Several participants recounted that they had decided or been persuaded to establish some kind of hospitality service while they were already modifying or improving their property.

Another factor is that for most, tourism was only one part of diversified family economic strategies. The Cabanaconde family with the longest continuous involvement in tourism had land in several different localities within the Cabanaconde district occupying different productive niches. The proprietor of a small hostel in Cabanaconde dating from the 1980s explained that he and his wife spent part of the year with some of their children in the United States. The hostel provided a complementary and relatively low-maintenance income source, working with two agencies in Arequipa with whom the couple had personal links. The participant reported that it brought in approximately S/. 50 per day and noted:

Tourism has had a good impact...there's good earnings...it's not always a lot, but it's always something.

(RP 32)

All the tourism service providers in the Tapay district had agricultural lands that they continued to work. In at least two cases the establishment of a tourism business had smoothed the process of return migration – in one instance due to the failure of a business in Arequipa and in another to the need to return to reclaim family lands and property which had become abandoned.

A common strategy involved the pursuit of tertiary education in tourism by children and other relatives. At least six of the accommodation providers across the two districts had one or more children who had studied or were studying tourism in Arequipa.⁵⁶ This was a synergistic strategy: on the one hand, the tourism business helped finance secondary and tertiary education in Arequipa and Lima; on the other, family members were able to obtain employment as guides or in agencies, or even establish their own agencies, thus providing a foothold for the family business in the regional metropolis. I found at least four agencies in Arequipa that employed a member of Cabanaconde or Tapay families involved in tourism. One Cabanaconde family had two children that ran their own tour agencies in Arequipa.

In the past couple of years people from outside the district had begun to establish a few stand-alone businesses in rented properties in Cabanaconde. The most notable of these was one of the three competing economic hostels described in section 7.2. The proprietor – originally a tour guide from Ayacucho – had come to a long-term arrangement with the owner involving significant modifications to the property, while also making arrangements with a nearby resident to provide additional beds during busy times. Other businesses that had recently been established in rented properties included two bar/restaurants, an a la carte restaurant, and a craft shop/ café. In most cases, these outsiders had an existing connection to tourism in Cabanaconde, in several cases having been employees of other local businesses.

⁵⁶ In two cases, *four* children had studied or were studying tourism.

9.2.3 *Economic impacts of tourism in Cabanaconde and Tapay: diversified livelihoods*

Section 7.3 describes how others in Cabanaconde were also able to insert themselves into the productive chain of tourism by providing guiding services or selling craft work and other products at the Cruz del Condor. For local guides, there had been a brief period of good returns in the 2000s followed by a decline in work and earnings. As one participant described it:

At the beginning the work was flat stick...tourism was good, good, good... later, everyone started to be a guide...it was in 2002 or 2003 that guides from other places started appearing.

(RP 11)

By 2010, only a handful of local Cabanaconde residents worked regularly as tour guides, and the fickle nature of the occupation required continued livelihood diversification. One local guide had rented his own locale half a block from the main plaza, from where he offered information and guiding services. All the local hotels and hostels contacted him if tourists requested a guide, while he and his wife also sold craft work, drinks, and snacks, and had a busy trade providing cell phone top ups. Another participant, an original member of the local guides association, explained that he had returned to working “80 percent in agriculture, 20 percent in guiding” (RP 11). He said that he only worked with European tourists recommended to him by previous clients, and not at all with travel agencies.

The craft sellers at the Cruz del Condor had been able to gain somewhat more stable economic benefits from tourism. The president of the *las nuevas* group pointed out that with just “one maize harvest a year”, it was difficult to get ahead, and the additional income from tourism had provided a significant boost:

After five years, there's economic solvency, now we can educate our children...before there wasn't economic solvency, now things have got quite a lot better.

(RP 20)

As with the local guides, the craft sellers felt challenged by the control exerted by Arequipa-based guides who sometimes dissuaded tourists from buying from them. However, their ability to command a strategic space of the Cruz del Condor

lookout helped them maintain a foothold in the tourism market.

As described in section 7.2, the stereotyped itineraries of agency-operated tour groups limited the space to develop alternative activities. However, there were some initiatives to diversify tourism services, led by existing accommodation providers. In Cabanaconde, one of the hostels offered cycle tours from the Cruz del Condor. In the village of Malata in the Tapay district, the owners of the single *hospedaje* had also established a small “ethno-museum” depicting aspects of traditional livelihoods, which could be visited by trekking groups that were continuing to Sangalle. These and other ideas are discussed further in section 9.4, but their economic impact to date had been negligible.

Another way residents accessed economic benefits from tourism was through commerce. As described in section 6.3, in Cabanaconde I found there were at least 35 to 40 small retail businesses in the village. One participant remembered that in the mid-1980s there had been only one or two stores, while another estimated that the number of shops had approximately doubled in the past decade. Although other evidence was equivocal,⁵⁷ there had clearly been a significant increase in commercial activity over the past two decades, which had occurred during a time of gradual population decline (see section 6.6).

While there were a number of other contributors to the increase in local economic activity,⁵⁸ tourism had certainly had some influence. Although many tour operators avoided staying or eating in Cabanaconde, most tourists at some stage bought supplies from local stores, who also saw regular custom from tourist accommodation providers. A number of participants cited the revenue gained by shops as an important benefit of tourism, and the store owners generally concurred. Even a landless shopkeeper in Cabanaconde who was originally from the Tapay district and sold a very basic range of products noted that “I’ve been able to educate my children” (RP 25). As with other tourism-related businesses,

⁵⁷ Gelles (2000) reports there being 37 general stores in Cabanaconde.. This total was obtained from a registration list from the Ministry of Agriculture instead of a visual survey. He also reports that many shops were only open in the early morning or evening, while during my stay the great majority of stores were open during the middle of the day. Paerregaard states that: “there are *several* well-stocked grocery stores in Cabanaconde” (1997, p.106, my italics). In a sample of six stores on one street near the plaza I found that three had been open in some form for more than ten years, while the other three had opened within the past two years.

⁵⁸ These included: expansion and diversification of agriculture in reclaimed land since receiving additional water through the Majes project; occasional price rises for cochineal; remittances from migrants in the cities and overseas; and the construction projects funded by the regional government. The most important fiestas in February and July have also become mini-booms for the local economy, with visiting migrants and other visitors spending many thousands of dollars in a few days.

shops helped diversify livelihoods (such as the local guide who had little recent work but pointed out: “it’s ok because I also have my shop” (RP 5); smoothed return migration (as in the case of a resident who had returned from Arequipa to accompany her mother); or enabled a foothold for migrants (as in a shopkeeper originally from Maca in the middle valley who had established a store after some years of coming to Cabanaconde to trade). In Tapay, tourism had stimulated the establishment of two independent shops in the largest settlement of Coshñirgua, while elsewhere retail services allowed the tourist accommodation providers to supplement their incomes through the sale of bottled drinks and snacks.

9.2.4 Economic impacts of tourism in Cabanaconde and Tapay: links to the local economy

Various participants in Cabanaconde and Tapay estimated that a maximum of 30 percent of residents were involved in the productive chain of tourism directly or indirectly through services or commerce. Rural tourism is often claimed to provide further economic benefits through backwards links to the local economy, including agriculture (eg, ILO 2001). This was repeatedly cited as an objective by the institutions working in the Colca Valley, but such links were not well developed in the case study areas.

In Cabanaconde, tourism service providers reported that they obtained approximately 90 percent of their supplies directly from Arequipa (or from local shops also supplied from Arequipa). Among the reasons for this were the assumed tastes of tourists. Tourism services offered variations on international cuisine including pizza, pasta and chicken, with alpaca and trout the only autochthonous products thought to appeal to the tourist palate.⁵⁹ The other reason was a simple lack of connection between local farmers and tourism service providers. My sense was that it had not occurred to either party to work at linking their respective activities. The tourism service providers were used to urban-style supply chains, and had assumptions about the type, volume and quality of products needed to meet the expectations of tourists. Local farmers had become accustomed to selling in bulk to intermediary merchants and were also fully occupied in the arduous occupation of actually growing maize.

⁵⁹ On several occasions in Cabanaconde and Sangalle, I felt that the meals served to local workers and to me, with a greater predominance of fresh local ingredients, were superior to the options available for tourists. However, when I commented on this to my hosts, they strongly disagreed, responding that “no, tourists just don’t want things like that”.

Another factor was the lack of information provided in the stereotyped tours run from Arequipa. Cabanaconde's local variety of maize, *maiz cabanita*, is renowned throughout southern Peru for its sweet taste and symmetrical shape. In 2006, a maize producers association had been formed with the assistance of the municipal government, Desco and Sierra Sur. The association had been working towards obtaining Denomination of Origin status and organic certification, with a view to export. There were also fascinating historical, technical and ritual aspects to local agriculture (see section 6.3 and Gelles 2000). However, these were rarely explained to tourists or included in promotional material about the Colca, which tended to focus on things tourists were assumed to be interested in such as the canyon and condors.

In the Tapay district, there were stronger links between local agriculturalists and tourism, in part owing to the greater isolation. Tourist accommodation providers in the Tapay villages served mainly vegetarian meals based on local produce. However, participants did not fully agree on the extent to which this provided benefits to local agriculturalists. One participant in San Juan de Chuccho considered that the additional income earned by villagers through supplying fruit and vegetables was relatively insignificant at around S/. 35 per week, noting that "it involves the [local] people, but with pocket money" (RP 39). Another participant in the same village emphasized her ability to help the community by buying produce, employing other villagers, and sponsoring ritual events such as the cleaning of irrigation canals.

During field research I noticed a number of small-scale interactions with the local productive economy such as the use of fruit from the *sancayo* cactus in the "Colca Sour" cocktail.⁶⁰ There were many further possibilities, given the rich array of productive niches across the two districts. These were starting to be explored, thanks to ideas brought in by NGOs and return migrants. In Coshñirhua, a participant explained that with the assistance of the district mayor villagers had formed a local association to produce fruit-based jams, wine and liquors. This participant also said that in community meetings he and others involved in tourism urged other residents to involve themselves in the tourism supply chain by providing fruit, eggs, *cuyes* and craft work.

This highlighted a paradox. After the participant in Coshñirhua gave me some peach liquor to sample, I recommended this to the proprietor of the

⁶⁰ Based on Pisco Sour, the Peruvian national drink, but with *sancayo* juice instead of lemon.

accommodation site where I stayed in Sangalle. Trekking travellers are often keen to have a drink or two at the end of a long hot day, yet the difficulty of bringing beer by mule from Cabanaconde makes it (as well as bottled water and soft drinks) three times more expensive than in the village. There seemed an opportunity to sell a local product at a significant profit while costing the tourist less in absolute terms. However, the suggestion was met with some scepticism. As one Tapay-based participant pointed out, the sale of imported goods such as water, beer, soft drinks and chocolate was where local providers actually made a steady income. All placed a small margin on the known, fixed costs of these products, and tourists accepted the high prices given the isolation. Meanwhile, things produced locally or relying on local labour were systematically undervalued: one local participant estimated that when all the effort involved in building or improving tourist accommodation was taken into account, prices were in some cases below the costs of production.

9.2.4 Economic impacts of tourism in Cabanaconde: dignified employment?

Formal employment for local people was perhaps the least notable economic impact of tourism in the case study areas. In Cabanaconde, the handful of permanent roles such as receptionist and chef in the three formal hotels were all filled by people from outside the area, mainly from Arequipa. Only the three-star and two-star hotels consistently employed Cabanaconde residents. The three-star hotel reported that in high season it required about 15 employees, with 5 in the low season. The proprietor of the two-star hotel reported that “about half” of his employees were local residents but pointed out that the downward pressure on prices discouraged the employment of more people, meaning that in busy times he or other family members had to pitch in by working in the kitchen or making beds.

Almost all the small business participants expressed their frustration with local people as employees. Despite the competition and mistrust between these businesses, their comments on this issue were remarkably similar, whether they were long-term residents, return migrants, or originally from another region. One proprietor of an accommodation service complained that “there's no responsibility” (RP 19), while another said that:

[Cabanaconde residents] are a bit lazy...they're late turning up, and they

set their own price.

(RP 26)

The proprietor of another hotel complained that local residents frequently required leave to attend to their fields, noting that:

...they seem to commit [to the job] but at some point they become irresponsible.

(RP 14)

The four economic hostels that I interviewed drew most of their few workers from outside the district. One employed migrants from the Cuzco province of Espinar and one from the upper Colca Valley district of Caylloma. One hostel had employed a series of brothers from a family in the middle valley district of Ichupampa. These arrangements were within a tradition in Andean Latin America of small business owners and wealthier villagers providing work for poorer migrants under conditions that resemble domestic service or patronage as much as formal employment (see Weismantel 2001, Gelles 2000).⁶¹ In addition, at least two of the hostels with connections to the wider tourism industry drew on a rotating cast of friends, associates and former employees from diverse origins throughout Peru. At least two hostels also had intermittent arrangements with foreign backpackers who worked in return for room, board and variable wages. Similar arrangements were in place in Sangalle. In Tapay, most of the accommodation services were operated directly by the owners, although the busier of the *hospedajes* in San Juan de Chuccho did employ a couple of people.

It is interesting to reflect on why there were such poor relations between employers and residents in Cabanaconde. The claim that residents are inherently lazy or lack discipline is undermined by the success of Cabanaconde migrants in Arequipa, Lima and even overseas; the entrepreneurial spirit of those with their own small businesses; and of course the extremely hard work involved in growing maize. One hostel proprietor opined that residents were “idle” and then corrected himself saying “no, not idle, they just don’t seem in need” (RP 36). One hypothesis

⁶¹ For example, the three brothers from Ichupampa came from a family with small and scattered plots of land, and had sought migrant work in Cabanaconde at an early age. They had formed a connection with the Cabanaconde hostel owners and their extended family, and all three had ended up rotating through various informal employment positions in Cabanaconde, Arequipa and Cuzco. They had all managed to pursue technical tertiary education in, respectively, gastronomy, mechanics and tourism. The brother working in Cabanaconde had previously earned S/. 600 per month at a *chifa* (Chinese restaurant) in Arequipa but said he preferred working with the hostel because it allowed him to gain experience in his chosen career.

is that in a setting where labour had not been alienated from the land, the wages on offer were not sufficiently above subsistence level to incentivise proletarianisation.

It is important to note that employment in tourism was not high paying. I concluded from several examples that two levels of employment were prevalent in all but the very largest enterprises.⁶² In small formal hotels charging up to S/. 30 per night, employees earned the minimum wage of S/. 550 per month. In less formal, family-run establishments, workers were paid less, with S/. 300 per month an approximate average. In most cases, the nominal wage was bolstered by room and board. For example, the two young employees left in permanent charge of a small hotel in Cabanaconde had both completed tertiary studies in Arequipa, yet along with room and board they were paid the minimum wage of S/. 550.⁶³

Meanwhile, labourers on the construction projects such as the CETPRO and the Cruz del Condor road, both funded by the regional government, earned S/. 65 per day or S/. 1,600 per month (nearly three times minimum wage), and additional benefits. Although such jobs were scarce, irregular, and involved very hard physical work, they were largely unskilled. Wage levels were thus determined not by skills, but by the disjunction between Peru's two economies discussed in chapter 4: on the one hand, the State and a handful of large well-capitalized companies; on the other, the "competitive sector" where prices and wages are held down by the need to subsist given few alternative opportunities.

9.2.5 Economic impacts of tourism in Sibayo

In Sibayo, it was difficult to assess economic impacts, given that the rural community tourism initiative was only in its third year. However, on a purely financial level, the direct economic contribution of tourism to Sibayo had so far been small. As described in section 7.3, in the inaugural year of 2008 there were 590 visitors to the community divided between nine families, while in the first half of 2010 numbers had not increased significantly and there were now twelve families with *casas vivenciales*.⁶⁴ Participants acknowledged the small economic

⁶² This refers to the entire Colca Valley, as I also obtained several examples from Chivay.

⁶³ In semi-structured interviews and in casual conversations, I found that few young people studying or working in tourism have ambitions for a career pathway involving formal employment. Almost invariably, they aim to one day open their own business.

⁶⁴ By way of comparison, the single accommodation provider in the central settlement of Tapay had received 300 visitors by the end of June – more than the entire village of Sibayo – while also charging the same price of S/. 15 per night.

impact to date, with a representative of the Sibayo municipality opining that:

[Tourism] is already of economic assistance...sure, we're in the promotional phase...doing the sums, there's not much income yet.

(RP 46)

Nevertheless, those who had *casas vivenciales* in Sibayo considered they had already benefited. In purely physical terms, their houses had been improved. The upgraded bathrooms and other facilities aimed at providing acceptable conditions for tourists were also shared by the family. Research participants also stressed that the wider process of becoming involved in tourism (including classes, workshops and visits to other communities) was beneficial. As one participant stated:

[What has improved] is more than anything our quality of life...before we just bought basic things, but now we've changed and have greater variety, for our quality of life, health, a balanced diet.

(RP 50)

As with Cabanaconde and Tapay, the establishment of a guest house was less a separate business initiative than a household strategy to diversify income while accumulating physical wealth that would be of long-term benefit to the family. The difference is that while in Cabanaconde and Tapay this was an opportunistic strategy supported with the family's own resources, in Sibayo it had occurred through a deliberate plan and external funding.

The preceding sections suggest that in Cabanaconde and Tapay tourism was mostly decoupled from the local productive economy and the best access to indirect benefits was through commerce. By contrast, in Sibayo, there were deliberate efforts to plan tourism development so as to involve as many people as possible and to link other traditional activities to tourism.

As described in section 7.3, the activity most thoroughly integrated with tourism was weaving. The craft association member occupying the rotating role in charge of the Sibayo craft shop reported that in the most recent month they had sold approximately 60—70 items, for a total value of S/. 600. Given that this was divided between 25 members of the craft association, the direct economic

contribution was even less than from the *casas vivenciales*.⁶⁵ However, tourist interest had served as a stimulus for maintaining quality control, diversifying production and accessing new markets. The artisans of Sibayo had already delivered several export orders of their weaving, brokered by an international NGO worker, while those in neighbouring Callalli had been even more successful. The spokesperson for the craft association said that while they had traditionally sold their products at fairs in Chivay and Arequipa, tourism had helped them realise that direct marketing could be more lucrative, allowing sale of their weaving “at the real price” (RP 56).

The tourism association also had plans to offer cycling and rafting, visits to a demonstration alpaca farm, and multi-day “llama treks”. As described in section 7.3, to date there were limited opportunities to put these into practice given the small number of tourist arrivals, the short stay of tour groups, and the almost complete lack of “free” tourists arriving casually.

Generating employment was another of the aims of the rural community tourism project. Positions such as the tourism coordinator (see section 7.3) and caretaker of the fish farm were largely aimed at local young people who were encouraged to develop a project plan for their time in the job. However, the small amount of revenue from tourism meant that such positions had to be subsidized by the municipality. There was also no evidence that tourism had yet had any flow-on effects on the local economy. To the extent to which there was commercial activity in Sibayo this was mostly concentrated in the “new town” and directed at traffic on the mining road.

Thus, while the tourism project in Sibayo had a deliberate community orientation, only a small minority had so far seen direct economic benefits from the project. The twelve families that had been selected to establish *casas vivenciales* were not the poorest of the poor but were those whose property was already in reasonable condition and had the capacity to contribute their own resources to the project. In theory, as tourist volumes increase the wider community will participate through linked activities and the number of *casas vivenciales* will be extended in a planned way. Follow up research in Sibayo will thus be important to determine the extent to which envisaged economic impacts have been realised, and whether these have extended beyond the initial group. Given the reliance on external support, a

⁶⁵ This equates to approximately S/. 30 per month, less than the amount *per week* that a participant in Tapay described as being “pocket money” for local agriculturalists.

detailed economic evaluation of the payback time and financial sustainability of the project would be helpful in determining whether it might be reproduced elsewhere.

9.2.6 Indirect economic impacts of tourism: infrastructure and services

One final way in which tourism produced economic impacts across all three districts was through stimulating outside investment. Revenue obtained from the tourist ticket managed by Autocolca provided dedicated funds to support development and maintenance of infrastructure (see section 8.3). In addition, the perceived need to make the destination acceptable and accessible to tourists had encouraged governmental investment in roads and public services.

Many research participants felt that improvement of roads into and through the Colca Valley had actually been unacceptably slow. At the “Municipal Management of Tourism” conference in April 2010, the president of AVIT and the OGD complained that service improvements in the area were being dragged down by the ongoing problems with the roads:

Full credit to the hotels and restaurants of Chivay, which have improved, but it's no good having a tourist beaten up by the highway and treated well by the hotel.

(Conference notes)

Nevertheless, the status of the Colca Valley as one of Peru's premier tourism destinations bolstered arguments in favour of local infrastructural improvements and had been an important card played by during the general strike of May 2005, which demanded road improvements as well as control over Autocolca. Although many felt it to be long overdue, the regional government support for the paving of the Cabanaconde—Cruz del Condor road was gained in part by the need to improve a transport corridor for tourism. Tourism had also influenced the expansion of educational services, including the recent establishment of a branch of the San Agustin University in Chivay and the construction of a new locale for the CETPRO in Cabanaconde.

Through learning a little about the timing and decision-making process in several projects, I concluded that personal connections as well as skill at understanding

bureaucratic procedures were key factors in the allocation of public funding for infrastructure. In Cabanaconde, local connections with regional power brokers had helped the community gain access to running water in the 1960s, before most of the rest of the province. The new locale for the CETPRO was funded after much dedicated work from the director (an inward migrant originally from Arequipa) who obtained a commitment from the regional president-to be when the latter was on the campaign trail in 2006. The ability of the municipality of Sibayo to negotiate bureaucratic processes had been critical in obtaining resources for the district, including funding for paving the Tuti—Sibayo road – despite this having less importance for tourism than routes toward the lower valley.

However, although it is difficult to quantify its influence, tourism at least provided arguments that could be used to support investment in the case study areas. The presentation of Sibayo as a heritage area worthy of preservation and its elevation to one of the four national “pilots” for rural community tourism was influential in attracting funds from a variety of institutions.

The implementation of new road and construction projects also created employment opportunities. In Sibayo, the paving of the road to Tuti and the restoration of the local church by AECID were the main sources of local non-farm employment. In Cabanaconde the Cruz del Condor road, the bridge and road to Tapay, and the construction of the CETPRO had all provided formal employment at above-average wages. Thus, to the extent that tourism had been an impulse for these projects, its most important contribution to the generation of “dignified” employment was an indirect one.

9.3 Social, cultural and environmental impacts of tourism

Economic impacts have been dwelt on in some detail given the importance within a political economy approach of understanding the control of resources and distribution of benefits. However, social, cultural and environmental impacts are thoroughly interrelated with economic impacts and also merit detailed consideration (see also Cheong 2008, Hockert 2009).

9.3.1 Social impacts of tourism

In all three districts, local community members described the decline of traditional customs and forms of life, largely related to the reluctance of young people to learn and fully participate in the ways of their elders. It is possible that tourism may have contributed to these changes. One participant in Cabanaconde noted that:

The kids have neglected their own culture a bit; they're assimilating the culture of the foreigners.

(RP 11)

However, I believe a plausible hypothesis is that tourism had only had a minor effect on the ongoing social transformations. Residents with whom I conversed on this and other trips attributed the most fundamental changes to the Majes project, which disrupted previous economic and social relations and accelerated migration. As noted in chapter 6, strong migratory flows began in both Cabanaconde and Tapay well before the advent of tourism, and as the first tourists trickled into the canyon in the early 1980s, there were already more than 100 *cabanacondino* migrants living in Washington DC (Gelles 2000). In terms of sheer volume, the influence of migration to and from Arequipa, Lima and overseas is likely to have been greater than tourism. While it might be fashionable to bemoan “Western” influence on “traditional” rural cultures, readers might compare the likely impact of a trickle of polite, mostly European backpackers with the materialist values and social inequalities on view in Arequipa and Lima, not to mention the United States.

Other influences on social change cited by participants included secondary school, television and the internet (accessible in Chivay, Arequipa or further afield). Some of the changes that inspired regret or nostalgia in older community members might be seen by external observers as signs of “development”, such as the notable fall in the birth rate, the sale of condoms in the local pharmacy, and the decline of patriarchal systems of control imposed by powerful community members (see Gelles 2000, p. 134—36)

The exacerbation of inequalities is cited in the literature as one of the risks or negative impacts of rural tourism (ILO 2001). This was mentioned by a couple of participants in Cabanaconde, notably the president of the craft association who noted that “now we're not all the same”. However, as described in section 6.3,

there has always been significant social differentiation and conflict in the community. Although some had benefited more than others from tourism, this related to the existing advantages of return migrants. In addition, the success of local small businesses was dwarfed by that of those who had become established in the United States: in general, only international migrants were now able to sponsor the principal local fiestas. In Tapay, tourism had become another beach head for the cash economy, along with cochineal (see Paerregaard 1997). Further study would be required to determine whether it had exacerbated local inequalities. However, I noted in visits to two different villages that owners of tourism businesses were thoroughly involved in communal activities.

Several participants in both Cabanaconde and Sibayo felt that the presence of tourists had had a positive effect on local residents, particularly on children, making them more confident and outward looking. As with economic impacts, for a few individuals involvement in tourism had had a transformational effect. One participant who had been an original member of the Cabanaconde local guides association said that the training course and experience of guiding had “made me as a person” (RP 11). Several participants described tourists as “cultured” and several of those who had become involved in guiding (Cabanaconde) or with *casas vivenciales* (Sibayo) said they did so because tourists and tourism appealed to them.

9.3.2 *Cultural impacts of tourism*

There was some evidence that tourism had played a part in the revalorization of traditional culture and livelihoods in the case study areas. As described in chapter 4, specifically Andean or indigenous cultural elements have long been suppressed or marginalized in Peru (Paerregaard 1997, Gelles 2000, Weismantel 2001, Mitchell 2006). Now, although deep divisions and prejudices persist, the disparagement of all things Andean is being challenged. As Paerregaard (1997) puts it:

...the transformation of Peruvian society in the second half of [the twentieth] century has radically changed the perception of indigenous culture. Tourism and a growing interest in native art and folklore have bolstered this development. Formerly regarded as the by-product of an unappreciated rural lifestyle, Andean folk culture is today viewed with

fascination and admiration. Although cultural prejudices against Andean people still prevail in Peru, many urban migrants now regard their cultural background as a potential source of income as well as a strategic vehicle to change social status and redefine ethnic identity (p. 223).

As with the perceived negative impacts, we must be careful to understand the historical context of these changes and not attribute them entirely to tourism. Paerregaard (1997) describes how part of the interest in identity comes from the efforts by rural-urban migrants to distinguish themselves from other migrants and challenge their stereotyping as *cholos*. Nevertheless, the tourist appreciation of Andean culture, customs and livelihoods provides an additional stimulus for and justification of this interest. As described in chapter 7.3, cultural identity was the unifying theme in the different components of Sibayo's development strategy, and the prospect of tourism was what validated this. Throughout the valley, traditional dress and customs had been slowly disappearing, partly for economic reasons, but tourism promoted their retention and recovery. As one participant in Sibayo said:

Until then we were losing our culture, our traditional dress; now we're recovering it.

(RP 49)

During the research, as well as on other trips, I found that residents throughout the Colca Valley as well as migrants in Arequipa frequently expressed pride in the landscape, culture and customs of the area. In Cabanaconde, Tapay and Sibayo, research participants or casual acquaintances were interested to know if I had learned any Quechua and were eager to teach me additional words and phrases. In Cabanaconde I received (and accepted) several invitations to learn about and participate in agricultural activities.

In Paerregaard's terms, tourism can strengthen links between the "two worlds". These links can be physical and economic ones, through the improvement of roads and the opportunity for return migrants to establish tourism-related businesses, but strengthened links also have a cultural dimension. Rather than having to erase or forget their rural roots in order to progress within Peruvian society, in the context of tourism people from the sierra can emphasize their background as a sign of authenticity. In a number of the tour agencies that I

visited in Arequipa employees volunteered that they were from Colca Valley districts, while the manager of a large operator of “conventional” tours was keen to point out that many of the agency’s guides had origins in the Colca.

Within the context of tourism, the connectedness of Andean culture and livelihoods to nature is represented through the deployment of concepts such as “mystical”, “organic” or “100 percent natural” that derive from the post-modern Western reassessment of the benefits and risks of industrial modernisation. While this is often done by urban middle classes and may represent the “appropriation” of Andean culture (van de Berghe and Flores Ochoa 2000; Hill 2007, 2008), it also filters through to local populations and reinforces pride in traditional livelihoods. I lost count of the number of people in Cabanaconde who told me proudly that maize production was “100 percent natural”, with no artificial inputs and using only sheep and chicken droppings as fertiliser.

9.3.3 Cultural commodification and corruption: direct and indirect impacts

The tourism literature often identifies a risk of commodification and “performance” of culture as a correlate of tourist interest in cultural manifestations such as dress, dance or ceremonies (ILO 2001, Hill 2008). There were some signs of culture being “performed” in Sibayo, where this had been made a central focus of the tourism strategy. An audience member at the “Municipal Management of Tourism” conference complained that on a visit by journalists “the [local] culture had been demonstrated as a form of theatre” and that Sibayo “risk[ed] falling in the same trap as places that get a lot of tourists” (Conference notes). I noticed that when anticipating the arrival of a tour group, the younger women with *casas vivenciales* who had been dressed in urban clothing, quickly changed into traditional dresses so they were “in costume” when the tourists arrived. Tourists were also taken to “fish” in the nearby river, although the local women were aware that there was no trout at that time.

While there were a few signs in the Tapay district that the concentration of tourists along a single trekking route was having impacts on local residents,⁶⁶ in Cabanaconde there was no evidence of such “unhealthy” host-guest interactions. Villagers were generally friendly and happy to chat, and some even complained

⁶⁶ To cite one example, when I was walking through the village of Coshñirhua three children aged between three and six insisted I play football with them: when I finally said I had to go, the eldest demanded that I buy each of them a chocolate bar.

that tourists at times failed to respond to their polite greetings. Yet during the research period and in previous visits I found both children and adults mostly relaxed about or even indifferent to the presence of tourists as they went about their daily tasks. No participant in Cabanaconde highlighted negative behaviour changes related to direct contact with tourists.

However, there were significant concerns about more indirect effects. Several local participants were adamant that the recent arrival of “outsiders” who had established tourism-related businesses was both changing the nature of tourism and affecting the social fabric of the village. There were claims that drugs had recently begun to appear in the area. One participant assured me that tourists had recently begun to ask where they could obtain marihuana, something that had never happened in the past. He argued that this was due to word of mouth that it was available: “the demand exists because the supply is there” (RP 1). Evidence given for these claims included the fact that one of the new bar/restaurants had painted a large mural of Bob Marley on the wall outside, a design which one participant insisted was “international code” signalling the availability of marihuana and other drugs (RP 18).

One has to be careful in evaluating these criticisms. They were largely directed by long-term village residents with tourism-related businesses of their own. Disapproval of the competition from new arrivals may have played a part in these accusations. However, I saw enough evidence of involvement of (some) migrants in several incidents of disorder to give credence to the complaints. As with the positive economic impacts, these effects were not directly due to tourists nor to the operation of tourist activities, conceived of narrowly.⁶⁷ Rather, they related to the continued development of Cabanaconde as a socially diversifying urban centre, to which tourism had made only a partial contribution.

In Sibayo, research participants did not express specific concerns about possible disruptive social or cultural impacts of tourism. Participants were happy to see tourist volumes increase, and were most worried about competition from other districts or international crises restricting tourism.⁶⁸ What community residents in both Sibayo and Tapay *had* been initially worried about was the possibility of

⁶⁷ As described in chapter 7, Cabanaconde has historically been a base for tourists interested in trekking and other outdoor activities. The great majority go to bed early, and although consumption of alcohol is common, this is generally constrained within the hostels.

⁶⁸ Although I gave participants time to think of some negative factors – even things they might just be worried about – I did not think it appropriate to insist on examples from the literature.

tourists bringing disease. Given the history of the region (and indeed much of the Americas), this was a rational fear.

Those who raised the greatest concerns about the social and cultural impacts of tourism were tertiary-educated representatives of urban institutions. The founder of Asdeturconv Colca stressed that rural community tourism could potentially be “more noxious” than mass tourism because of the extended and more intimate contact between host and guests. While finding many of this participant's ideas interesting and valuable, I felt that this perspective essentialised local residents as culturally static and fragile, and underestimated the rapid social and cultural changes that were already occurring (see for example the changes in linguistic composition shown in section 6.6). In a preliminary conversation in 2009, the regional director of the National Institute of Culture felt that “apart from economic aspects, [the impact of tourism] has all been negative”. He cited the environmental stresses on the Cruz del Condor and elsewhere; the fact that products being sold there were “not even from the area”; and the willingness of residents to perform the Wititi dance for whomever could pay, when its place on the ritual calendar is in February. He noted that “as a Catholic, this is like having Easter every Friday”.

9.4.4 Environmental impacts of tourism

For many participants, the most important negative impact of tourism was the environmental contamination by “solid waste” (*resíduos sólidos*). This referred to plastic bottles, food wrappers and other non-biodegradable items that were increasingly polluting the canyon area in particular as well as transport routes into and through the valley.

Several participants were eager to stress that tourists themselves were mostly not responsible for this contamination. Tourists were described as “educated” and said to put their bottles in rubbish bins where these were available. Rather, the problem was seen as related to a lack of supporting infrastructure and the need for more environmental education in a setting where durable manufactured products and packaging have only become common in the last fifteen years. There are efforts to address these issues. The municipality of Cabanaconde now runs a rubbish collection service on a weekly basis. While there is not yet a recycling service in Cabanaconde, there are plans to develop a deposit at some distance from the village that will separate recyclable items and also generate

compost.⁶⁹

A concern that has been raised in recent times is the increasing pollution of the Colca River. A return expedition in 2008 by the Polish explorers who originally mapped the Colca Canyon reported greatly increased levels of contamination (*El Comercio* 18 August 2008). There have also been concerns raised about the impact on the habitat of condors from the mass tourism at the Cruz del Condor. Evaluation of these issues was outside the scope of the research, although anecdotally the large hotels on the river banks near Chivay had been key contributors to contamination of the river.

Within the case study areas, the main areas of environmental pressure were on the trekking trails through the canyon and in the accommodation sites at Sangalle. Some deforestation took place in Sangalle when tourist accommodation was being established, and the liquid waste from accommodation sites is discharged untreated into the river, although one participant argued that it was effectively filtered through reeds and grasses. The ongoing impact of tourists must be put in the context of general population decline: Cabanaconde's population has reduced by 20 percent from its peak and the population in Tapay has more than halved since the 19th century (see section 6.6). Reportedly, Sangalle and other orchards along the Colca River used to support a population of around 100 people, which is similar to the average number of tourists staying in this zone per night. Given continuation of present levels and modes of tourism, small-scale changes might be sufficient to limit the environmental impact. However, the current construction of a road linking Tapay to Cabanaconde has the potential to bring much larger numbers of visitors into the area and change the nature of tourism. Despite the significance of this potential change, it had not yet received much attention from institutions working on tourism and development.

A further environmental impact relates to the urban areas of the three districts. As described in section 7.3, the municipality in Sibayo had made a sustained effort across successive administrations to maintain and restore the traditional stone, thatched-roof architecture of the old town as a centrepiece of tourism. While this policy had been resisted initially, it was eventually accepted and Sibayo's identity of *Rumillacta* (stone town) has become a source of pride for the community. In Cabanaconde, any chance of retaining urban architectural coherence has largely

⁶⁹ There is a recycling operation in Chivay: on one occasion I helped a Chivay-based team from the NGO Desco fill a truckload of plastic bottles that had been collected by the Cabanaconde municipality.

disappeared. The move to build or convert houses using *material noble* (brick or cement as opposed to stone or adobe) is understandably widespread and is a favoured investment of families that bring capital back from the cities or overseas. However, constructions built or modified for tourism have created the biggest and most obvious clashes. Not all impacts have been negative: the three-star hotel is an attractive, architecturally-designed stone construction, integrated with the village and the natural surroundings. Other developments are much more jarring, notably the as-yet unoperational hotel on a rise above the town, a modernist four-story design which now dominates the village skyline. The proprietor of the two-star hotel acknowledged that “we messed up a bit” when his family had originally built to four stories: they had since modified the facade to be more integrated with the surroundings (RP 19).

A *regidor* of the Cabanaconde municipality blamed the problem on “previous administrations who failed to develop an urban plan”. He reported that at restrictions on building height had been proposed at a communal assembly but “the people rose up against us” (RP 13). Eventually it was agreed that three stories would be the maximum height of new constructions: given people's need to match their neighbour and demonstrate their success, no greater restriction was acceptable.

Figs 9.1 and 9.2 Architectural contrasts: a view across the plaza in Cabanaconde (above) and Sibayo (below). Source: author.

9.4 What people want: grassroots dreams in a neoliberal reality

This section examines the different attitudes towards tourism and expectations about its relationship to development. It compares and contrasts the perspectives of institutions with those of people in the case study areas, identifies some contradictions and conflicts in the stated objectives, and presents the new road to Tapay as an example of competing visions for the future.

9.4.1 Perspectives on tourism

A basic but important point is that the majority of research participants were in favour of tourism, at least in theory. While there were many criticisms of the way tourism had evolved, most participants measured these against a concept of what they felt tourism could and should offer. Not only local authorities and those who were directly involved in tourism but also community residents with whom I conversed casually shared these perspectives.

There was some evidence that attitudes towards tourism among the wider community were more ambivalent than those expressed directly to me. Participants in Cabanaconde and Tapay reported arguing in community meetings against sceptical attitudes towards tourism, including criticisms that only those with hotels and restaurants benefited, and that tourism was not a core activity of

the community. An NGO representative in Chivay who was originally from a nearby herding community reported a general feeling that tourism brought noise and pollution for little benefit. A participant in Tapay mentioned fears among the community during the beginnings of tourism about “tourists coming to fill up our children with AIDS” (RP 39).

Nevertheless, the fundamental conception of tourism held by residents seemed to be that people were paying money to experience *their* environment and culture, and this ought to provide economic opportunities as well as opportunities to recover and assert local identity. At least some drew a favourable contrast with mining: in one of the discussion groups at the “Municipal Management of Tourism” conference, a participant argued there had been an international conspiracy not to name the Colca Canyon among the “New Seven Natural Wonders of the World” because the unnamed international interests wanted to turn the Colca into a zone of “mining rather than tourism”.⁷⁰

9.4.2 Perspectives on development

Section 8.3 describes the vision of development held by the various institutions. In brief, this was seen to involve an increase in income which would in turn allow improvements in nutrition, health, education and living conditions. For local residents, there was an even more basic criterion of development. Participant interviews, casual conversations and the ethnographic literature (Autocolca 2006d, Gelles 2000, Paerregaard 1997) agreed that educating one's children – to secondary and preferably tertiary level – was the single most important objective for rural residents in the study areas and beyond. At the community rather than personal level, development tended to be associated with urban modernisation, including paved streets, modern building materials, and multi-storied houses. A speaker at the conference in Chivay and a participant in Cabanaconde gave almost identical descriptions of a past where “pigs wandered in the streets” to indicate the (positive) changes that had occurred.

Local communities had internalised at least some theory about sustainable development and sustainable tourism, and terminology from neostructuralist and grassroots development discourse abounded. For example, in a motivational

⁷⁰ The New Seven Wonders of the World competition is organized by the Swiss Corporation New7Wonders Foundation. Despite significant promotional efforts by Autocolca, the Colca Canyon was not included in the 28 finalists for the New Seven Natural Wonders. See <http://www.new7wonders.com/en/>

speech at the local high school the mayor of Sibayo told a group of students that they must aim to be “competitive” and “sustainable”. The concept of sustainability was recognised as having an economic as well as environmental dimension. A participant in the Tapay district noted that a few “responsible” agencies paid reasonable prices for their tour groups:

You've got to provide good services to them, but yes, that's sustainable tourism...it's not a lot, but it's at least sustainable.

(RP 39)

9.4.3 What people want: participation and order

An important thing that community members wanted and institutions considered ought to be achieved from tourism was greater participation. This objective was repeated by almost all the speakers at the “Municipal Management of Tourism” conference, with at least a couple of speakers specifically mentioning the need for tourism to be “pro-poor”.

Participants including local guides, small business owners and community members complained about the stereotyped ways in which tourists were herded through the zone by agencies and guides from Arequipa. My interpretation was that they wanted not just the opportunity to benefit economically but also a sense of control and involvement in what happened in their own space. Many were eager to see a greater proportion of independent tourists, with one participant in Tapay arguing that:

With two tourists that arrive freely, it's better than ten through the agencies.

(RP 39)

Perhaps the most universal terminology used by participants expressed a desire for “order”. The range of complaints about current “disorder” had common roots in the spontaneous, informal development of tourism described in section 9.1. Particularly interesting were views on competition, given that this was an area of primary importance for those directly involved in tourism. Several participants asserted that they *welcomed* competition, but lamented when it occurred by price rather than quality or devolved into outright conflict. For instance, the president of

AVIT and the OGD stated at the “Municipal Management of Tourism” conference:

Let's not look for a monopoly, we'll destroy what we have...the Colca is a group of small businesses, there's no monopoly...we have to work without resentment, without insults, without throwing stones.

(Conference notes)

Among representatives of institutions and business owners, greater environmental sustainability was a frequently cited objective. A representative of the NGO Desco argued that “environmental sustainability is the key” underlying all the other development-related objectives (RP 63). In Cabanaconde, two participants from competing hostels who in other respects were antagonistic towards each other described similar visions of reforestation and promotion of biodiversity. The mayor described his vision that Cabanaconde “be converted into an ecological district” and become the “cleanest in the province” from its current state as what one hotel proprietor described as “the filthiest town in the valley” (RP 19).

Both growth and diversification of tourism were cited as objectives in all three districts. The mayor described his vision that Cabanaconde “be declared the tourist capital of the Colca Canyon”. He pointed out that “tourism hasn’t been exploited to its full extent”, citing various nearby trekking trails and natural attractions that needed to be developed and signposted. A hotel proprietor who was also president of the tourism *patronato* proposed the development of a craft market, embroidery workshop, cultural theatre and agro-tourism. The director of the CETPRO described a dream of having a museum and document centre that would collect the various scientific and anthropological works on the area. A local guide asserted that:

The future of tourism is for the tourists at the Cruz del Condor to come down here and for there to be more cultural activities.

(RP 11)

Notably, this participant had visited Sibayo as part of a *pasantía* (practical learning experience). There were signs that the some of the principles and approaches used in Sibayo were being spread back to other districts. In Tapay, one participant reported that in community meetings he had encouraged other residents to become involved in the productive chain by providing complementary products such as eggs, fruits and crafts. Another argued that the whole district ought to

become a “museum town” with traditional straw-roofed houses and each family offering tourist accommodation with a single agreed price. This participant stressed the need for a community-oriented approach, given that:

I don't make the pathways all by myself; it's not just for me that they put the bridge there.

(RP 39)

9.4.4 What institutions promote: conflicting objectives and the case of the local guides

Although community members, businesses and institutions used similar language and appeared to share a similar vision of the potential of tourism, I concluded that there were some unexamined tensions. First, there were internal contradictions in the objectives of institutions working to link tourism and development. Second, there were conflicts between these objectives and national political and economic realities.

Section 8.3 describes the widely-held view among development institutions that tourism should be complementary to, rather than replace, traditional livelihoods. However, in practice this tended to be overridden by goals of “quality” and “competitiveness”. A few tourism-related activities could be undertaken in a complementary way. For example, those in Cabanaconde and Tapay who owned mules earned additional income by providing transport for tourists who were tired or injured. However, most other occupations required significant time commitments and effective professionalization. Section 9.2.3 describes how residents of Cabanaconde who tried to combine work at one of the local hotels and hostels with the demands of growing maize were described by local business owners as “irresponsible” and lacking commitment. The majority of those who successfully established tourism services had worked or run a business in Arequipa or Lima, and many had completed tertiary education in a related area.

Elsewhere, a presentation from the national Ministry of Tourism (MINCETUR 2009) describes how at the 2nd national meeting on rural community tourism in Puno, cold water was poured on the aspirations of community leaders to get started right away, given that “our proposal included quality as a key element”. In Sibayo, the theory was that tourists would interact with the normal daily activities

of residents, but a provincial government representative commented at the tourism conference that “service in individual houses must be the same quality as a hotel” (Conference notes). During one visit to Sibayo, the heads of household with *casas vivenciales* were warned that as part of an NGO’s “technical assistance” programme they would receive an unannounced visit that weekend and must have their houses clean and tidy.

In addition, the national guidelines for rural community tourism (MINCETUR 2006) and much of the rhetoric from State and non-governmental institutions repeated the article of faith that appropriate models of tourism were “a way to redistribute wealth” (2006, p.6). There was less clarity on *how* it would be assured that benefits would flow through to previously marginalized groups. NGOs and other institutions promoted cooperative forms of organisation at community level, with the view that simply being “connected to markets” would be sufficient to gain benefits. This seemed to overlook the fact that local producers *had* historically been linked to markets, but on largely unequal terms through the “take it or leave it” offers of urban intermediaries (see Weismantel 2001, Schmid 2006, Zorn 2007). While tourism offered the tantalizing promise of valuing local livelihoods in international currency, market control by urban actors threatened to maintain rural residents in the role of price-takers.

Both of these issues are well illustrated by the case of the local guides in Cabanaconde. During the spontaneous beginnings of tourism, the local guides had been able to present themselves as expert mediators of local geography and culture, in a similar fashion to that described by Borman (2008) for the Cofan people in Ecuador. Skills training provided by external institutions had allowed them to earn additional income while remaining rooted in their community. However, as tour operators multiplied and sought to lower their costs, locals were pushed out by guides sent from Arequipa.

The space for local guides had been further narrowed by regulation. As described in section 7.2.3, legislation recently entering into force required anyone working as a “tour guide” to have completed tertiary education at a university or technical institute. A representative of the regional tourism ministry defended the professionalization of guiding as being part of improving tourism service quality and raising people’s “cultural level”. She stated that:

The local guides don't understand their reality – yes, their daily reality, but not all their culture and history...for that, you have to read a lot...They don't have the preparation that an official guide has. [An official guide] earns 2,000 soles a month and is able to travel – he has the same culture, the same level as the tourists.

(RP 69)

Some business proprietors and representatives of institutions justified the preference for Arequipa-based guides because of the latter's greater competence in foreign languages and better personal presentation.⁷¹ However, others argued in favour of local guides. Several participants in Cabanaconde and Tapay complained that guides from outside the area were often disrespectful and demanding, provided inaccurate or invented information to tourists or were generally ignorant about the area. The president of the maize producers association said that residents preferred tourist guides to be local (from the Colca Valley, not necessarily Cabanaconde) because "they know the correct names of the mountains" (RP 30). One proprietor of a Cabanaconde hostel felt that local guides were more committed to the job: "they talk more and make friends with the tourists" (RP 26).

Yet, there were apparently no regulatory tools available to promote local knowledge and community connectedness. The Cabanaconde guides association had approached the municipality about establishing a by-law requiring all tour groups to contract a local guide. However, the Cabanaconde mayor and *regidores* reported that after studying this option they found it to be unviable given national policies of "free commerce" and "the right to work" of guides from outside the district. Instead of using what Durham (2008) claims is their "incumbent advantage" of authenticity to earn complementary income, the only sure way for Colca Valley residents to become official guides in their own community was to dedicate themselves to full-time tertiary education in Arequipa. Some had indeed done this successfully – but this merely reinforced the assumption that migration was necessary to get ahead.

Arguably, the discourse of development institutions suffered from the criticisms levelled at neostructuralism by Leiva (2009). In focusing on technical issues of quality and sustainability, they neglected issues of appropriation and distribution of

⁷¹ For example, the proprietor of a hotel in Cabanaconde complained of an occasion when she had contracted a local guide to assist some tourists and he had arrived directly from farming, dirty and still in work clothes.

the economic surplus. There was little consideration of how existing power structures could be rebalanced in favour of rural communities, or the poorer members of such communities. Representatives of development institutions showed little enthusiasm for regulation as a tool for rebalancing power and in one case rejected it as a suggestion in favour of “more communication, and alliances” (RP 62).⁷² Their emphasis on consensus-building seemed to bear out Leiva’s (2009) criticisms that neostructuralism (and at the local level grassroots development discourse) overlook the antagonistic nature of underlying economic relations.

To be fair, the emphasis on *asociatividad* was meant to give local residents greater collective strength in market relations, as well as to overcome internal differences. But there seemed to be more emphasis on generating an increasing variety of civil society groups than strengthening existing groups to tackle specific problems – such as the craft sellers, local guides and accommodation providers of Cabanaconde and Tapay who were struggling with the internal and external conflicts described in section 7.2.

One participant who did emphasise concerns of distribution and power was the founder of Asdeturconv Colca, who criticised other institutional representatives for over-liberal use of terminology related to rural community tourism while overlooking its philosophical principles, which he argued were: “solidarity, responsibility, ethics and equity” (RP 65). This participant believed that communities such as Sibayo were being exploited by tour agencies who offered *turismo vivencial* as a premium product to clients and pocketed most of the proceeds. He argued that communities should be helped to directly engage with carefully selected “responsible” travel agencies in Europe who would not only pay fair prices but also ensure that tourists were properly prepared for healthy guest-visitor interactions.

Ultimately, however, it was creative individual strategies that had allowed some to overcome structural disadvantages and maintain their share of benefits from tourism. As described in previous sections, some participants in Cabanaconde and Tapay had formed their own more direct connections to markets by establishing their own agencies, linking with family members based in Arequipa,

⁷² For example, at the “Municipal Management of Tourism” conference an audience member questioned the comportment of hotels around Chivay that were guilty of excessive delays in paying for produce received from local farmers. The response from the speaker was that the businesses “need[ed] to be more sensitive”.

developing their own web pages, being recommended in guide books, or in the case of local guides, receiving clients through word of mouth. Again, however, it was those with existing assets and skills that were best placed to develop these strategies.

9.4.5 Perspectives on the road to Tapay

A future development which provoked a variety of attitudes was the planned extension of a road from Cabanaconde to Tapay. When complete, this will still be a precipitous and unsealed thoroughfare that will take several hours to travel. However, it will make the transport of goods in and out of the Tapay district much easier and will facilitate the transport to market of local fruit and crops. It will also give the ageing district population a much easier link to public services in Cabanaconde and Chivay. At the same time, it has the potential to radically change the nature of tourism.

In Cabanaconde, there were significant concerns about the road, with several participants involved in tourism declaring their outright opposition. A hotel proprietor, the CETPRO director and a local guide all felt that the road would change the current trekking-based, relatively low-impact mode of tourism, and undermine the isolation and grandeur of the landscape. The director of the CETPRO considered there was still a possibility to persuade Tapay residents to change their mind given the promise of a more participatory model of tourism-based development. Another Cabanaconde hostel proprietor was relaxed, believing that the focus of adventure tourism would simply shift to the wilder, far less visited highlands on the south side of the district.

In Tapay, I spoke with a number of local residents, most of whom were involved in tourism. While some felt that the road would have a negative impact on their own business, they found it difficult to oppose, given the assumed benefits to the wider population, who they said in general strongly supported the road. One participant in San Juan de Chuccho took the phlegmatic view that “a highway represents the development of a town” (RP 39). However, this participant insisted that before the road arrived the district had to organize itself into a Sibayo-like “museum town” with an integrated rural community tourism model. Otherwise, he felt that the highway would bring capital-rich outside investors imposing “a different kind of business”. Another participant with a *hospedaje* worried that the road would be

detrimental to her business:

...they'll come in their 4WDs, make their tour...they won't rent mules any more...to benefit the people [the road] is ok, but it won't be the same any more.

(RP 40)

By contrast, an accommodation provider in the village of Coshñirhua was upbeat about the road, believing that it would be easier to get fruit to market and that more tourists would come. In the same village a community member who ran a small shop said she opposed the new road because it would “bring things they have in other places but not here” (RP 43). Her concern was not so much tourism, which had been present for at least fifteen years, but the destabilizing social changes brought by uncontrolled modernisation, which Cabanaconde was already seeing.

Among the tourism and development institutions, there did not seem to have been much attention given to the possibilities and risks for Tapay as the road is completed, nor specific strategies to ease the transition. In my opinion, this reflected an overly generic approach to issues of tourism and development and a lack of territorial focus.

9.5 The importance of social and cultural context

One way to interpret the experiences of the case study areas is in terms of different “models” of tourism development: opportunistic and individualistic in Cabanaconde and Tapay; planned and community-oriented in Sibayo. An alternative interpretation is that the different histories were constrained and partly determined by the existing social and cultural features of each locality. To reiterate the differences described in chapter 6: Cabanaconde and Tapay are agriculture-based communities, of Cabana ethnicity, with an ambitious, outward-looking ethos, and strong migratory links to the capital cities and foreign countries. Their populations look first to Arequipa and then further afield. Most people have spent some time living outside the district. Sibayo is a smaller, more homogenous community, of Collagua ethnicity, dependent on herding rather than agriculture. The population has stronger connections with the provincial capital of Chivay and a narrower migratory diaspora. It is not uncommon for residents to have spent

their entire lives in the district.

These differences coloured many aspects of the responses to tourism in the case study areas. For example, in Sibayo, those interested in tourism had formed an association which regulated prices and service standards and ensured an equitable distribution of proceeds. In Tapay, attempts to simply establish minimum prices had failed. In Cabanaconde, the mistrust between residents, return migrants and outsiders, layered on top of existing intra-community conflicts, made it doubtful whether any such agreement would ever be possible. The mayor of Cabanaconde was sceptical about the possibility of establishing a united front among tourism service providers:

The municipality can bring everyone together but it can't impose [a solution] because, with this free market environment...we've tried, but the ones that aren't going to accept are those that don't offer good quality services.

(RP 35)

In Cabanaconde, community members had fought bitterly over who would be allowed access to space at the Cruz del Condor. A representative of the NGO Desco described a "terrible experience" in attempting to contribute funds to a craft workshop in Cabanaconde, as the community failed to agree on the provision of a suitable physical space. Meanwhile, a similar project had proceeded to completion in Sibayo with few problems, while the municipality had fully subsidized a shop in Chivay for the craft association. In Cabanaconde, the municipality, local businesses and community members all criticised each other for lack of commitment to working on common challenges. In Sibayo the relationship between the municipality and population was almost paternalistic: villagers were instructed by loudspeaker at 5am on their tasks for the coming day.

Sibayo's success at community organization was driven not just by a greater social cohesion but also by strong leadership. During the 1990s a single mayor had been twice re-elected, while the municipality had pioneered participatory budget and planning processes. As elsewhere, there were also internal disagreements and political factions in Sibayo. But most observers considered that district had benefited from unusual competence and continuity in local government. Tertiary-educated return migrants involved in Sibayo included the current mayor (aged in his late 20s), the manager of the municipality (who had

completed tertiary education in Arequipa and had worked for successive administrations), the secretary of the municipality, and the president of the tourism association. A former mayor of the district continued to be involved in development work with an NGO based in Chivay. Such individuals had taken the lead in interpreting and integrating the theories and techniques offered by outside institutions, such as the small-scale competitions pioneered by Sierra Sur.

In Cabanaconde and Tapay successful return migrants had also been prominent, but usually through investment in business or property, or by sponsoring the largest annual fiestas. At the same time, *cabanacondino* individualism has historically translated into greater self-assertion in dealing with the outside world. Despite all its internal conflicts, the community had shown a staunch unity in defending those who broke into the Majes pipeline. As Gelles (2000) concludes:

I would suggest that, indeed, the Cabaneños' possession of a greater cultural literacy in national discourse partly explains why it was Cabanaconde, and not another community, that challenged the Majes Project. (p. 158)

Importantly, while Sibayo was held up by many as an example of the rural community tourism model, it had been residents of Cabanaconde and Tapay that had actually succeeded in benefiting from the opportunities offered by tourism, in most cases without any assistance from outside institutions. The almost obligatory wanderlust of locals had been crucial to this success. Migrants had returned, sometimes with capital to invest, but at least with work experience and business savvy. From my perspective, the achievements of some of the tourist accommodation providers in the Tapay district in particular, in the face of extreme isolation and lack of infrastructure, were nothing short of remarkable. While they had struggled with internal and external conflicts, they had survived and to some extent thrived. NGOs and other institutions working to link tourism and development promoted cooperative forms of local organisation, with the unproven expectation that simply being "linked to markets" would provide benefits for all. The tourism pioneers of Cabanaconde and Tapay might have been individualistic – but they had succeeded in connecting the "separate worlds" of village and metropolis, and had shown how development could be decentralized.

Chapter 10: Conclusions

This final chapter sets out the conclusions to the research. The first section provides the main theoretical conclusions and addresses the key questions put forward in the introductory section. The second section makes some practical recommendations specifically directed at the institutions working to link tourism and development in the Colca Valley. The third and final section suggests some potential areas for further research.

10.1 Research conclusions

This section first addresses the three sub-questions about the case study areas from the Introduction chapter. Then, the overall conclusion addresses the principal question about the role of tourism in promoting more inclusive development in Latin America.

Sub question 1: What factors have influenced the evolution of tourism in the case study areas?

Tourism in the Colca Valley has developed in a spontaneous and informal fashion, without significant involvement by the State or large capital. The majority of land remains in local private or community ownership and there has been considerable local initiation of tourism services, with return migrants playing a key role. However, control of transport and information has allowed urban-based tour operators to dominate the tourism market. Yet, these mostly small businesses also face increasing competitive pressures. Destructive competition and conflict is reproduced within the city, between the city and rural localities, and within the localities themselves. This has been perpetuated by weak civil society organization at all levels while being ultimately driven by the national context of narrow economic development, ongoing underemployment and stagnant wages.

The rural community tourism project in Sibayo is seen as an alternative “model” of tourism development, with explicit aims of equity and broad community participation. Progress to date has been aided by the social context of a small, relatively homogenous and unified community, unusual strength and continuity in municipal leadership, and significant assistance from external institutions. Although the intra-community conflicts seen in Cabanaconde and Tapay have so

far been avoided, there remains the challenge of managing competition with other, neighbouring communities, as well as addressing structural factors that limit market access and perpetuate urban control.

Sub question 2: What have been the impacts of tourism to date and to what extent has it contributed to the reduction of poverty and inclusive development?

In the case study areas of Cabanaconde and Tapay that have had contact with tourism for at least fifteen years, the greatest direct benefits have been to a few families that have established tourist accommodation services. For a wider group, including local guides, artisans, and shopkeepers, tourism has helped diversify livelihoods and provided additional income. However, the majority of the population dedicated to agriculture and herding has had little contact with tourism let alone received benefits. Little formal employment for local residents has been directly generated by tourism. Tourism has contributed to improved resilience and social mobility for up to 30 percent of the population but it is unclear if it has had any effect on overall poverty levels.

In Sibayo, significant advances have been made in social organisation and infrastructure for tourism but at this stage tourism volumes are still rather low. While a few families have already benefited and the community as a whole has gained new resources, it remains to be seen how much tourism can directly contribute to the aim of equitable development.

Throughout the Colca Valley tourism has contributed to renewed appreciation of local culture and livelihoods, while it has made a relatively minor contribution to the rapid social change occurring as a result of decades of migration, greater access to education, and the influence of electronic media. A significant concern relates to the environmental impacts from the influx of non-biodegradable items into fragile natural environments. Increased tourist flows will likely make all of these issues more difficult to manage, which underlines the importance of improving the level and distribution of benefits within current tourism levels.

Overall, the research found that at an individual level tourism offered opportunities for those with existing skills and resources. At a community level, tourism offered a platform for self-assertion. In Sibayo in particular it acted as a rallying point for the community to work together towards common goals, while in general it

provided arguments for political attention and resources and promoted local self-esteem. These more indirect influences may ultimately prove to be the most important impacts of tourism in the case study areas.

Sub question 3: What expectations do local community members and institutional stakeholders have of tourism and what is their vision of its contribution to development?

There is broad support for tourism throughout the Colca Valley. However, there are many concerns about its “disorderly” development date, which covers issues including excessive competition, poor distribution of benefits, and environmental contamination. Local residents want greater participation in tourism, desiring not only economic opportunities but also control over what happens in their own space. The direct public action in May 2005 that demanded reform of Autocolca is evidence of the strong local interest in the structure and outcomes of tourism.

Linking tourism and development has become a priority for a range of institutional stakeholders in the Colca Valley and the wider Arequipa region. Institutions deploy a discourse that combines elements of neostructuralism and grassroots development, stressing the need for participation while remaining rooted within a market-oriented paradigm. Institutions aim to support diversification, provide skills training, strengthen civil society, foster identity and promote environmental sustainability.

There are some internal contradictions in the objectives of institutions as well as tensions with national political and economic realities. Most state that tourism should be complementary to traditional activities but experiences in the case study areas suggest that most successful involvement in tourism requires significant commitment and a degree of professionalization. In addition, institutions promote cooperative forms of local organisation with the so far unproven expectation that being “linked to markets” will bring broadly distributed benefits. There is relatively little examination of how either urban-rural or class-based power imbalances might be addressed.

Principal question: What role can alternative forms of tourism play in promoting more inclusive development in Latin America?

The research suggests that alternative forms of tourism can promote some

geographical decentralisation of development. This can create new economic opportunities in the destinations, especially for those who can maintain footholds in both rural and urban areas. Within the changing social fabric of Latin America, return migrants can be influential in either private or public roles. Important factors for determining how tourism will evolve and who can benefit include control of land and resources, control of transport and information, and the cohesiveness and strength of civil society.

In the context of Andean Latin America tourism can also be *culturally* decentralising. Although tourist interest in the outward forms of rural or indigenous livelihoods can be appropriated and manipulated, tourism can contribute to the challenging of ethnic and cultural categories that perpetuate marginalisation. It is unrealistic to expect any tourism model to bring development while entirely preserving traditional ways of life. Successful participation in tourism usually requires significant commitments, while in any case most people desire access to higher education and incorporation in national society. Similarly, the generation of new “poles of development” in the hinterland is not without its price: where economic impacts are large enough to make a difference, the social, cultural and environmental pressures will be correspondingly greater.

The limitations of tourism as a development strategy must be acknowledged. Compared to “traditional” extractive industries, alternative forms of tourism may offer more diversified economic opportunities that can be accessed by more people. However, given continuation of structural features of underdevelopment such as widespread underemployment and low wages, such opportunities can be oversubscribed, resulting in zero-sum conflicts and deterioration in value. These problems may be addressed in part by interventions to provide education and skills training, develop local infrastructure, and strengthen civil society. However, without broader development in agriculture and other sectors, a single industry such as tourism is insufficient to achieve “development from within” (Sunkel 1993).

In addition, although tourism may provide spaces for challenging geographical and cultural dimensions of exclusion, it does little to directly promote equity or address class-based forms of inequality. In this it is no different from other “non-traditional” economic activities promoted by neostructuralism. As modified forms of dependency, such activities may open “possibilities for structural change” (Cardoso & Faletto 1979, p.xi), but changes still need to be brought about through actions that address wider political and economic structures. Overcoming Latin

American underdevelopment requires, at least, fairer trade relations, the provision of a social safety net, sustainable land reform, and rebalancing the distribution between capital and labour. It is important to recognise the creative strategies of individuals and groups to survive and progress – but also to acknowledge the structural constraints they face. In this respect, the critiques of traditional structuralist and dependency theories continue to be relevant.

10.2 Recommendations for policy makers

This section provides some recommendations directed specifically at the institutions working to link tourism and development in the Colca Valley. As a foreign researcher who has had only intermittent and limited contact with the study areas, I acknowledge the greater expertise of the academic and institutional stakeholders that are permanently involved in this setting. However, an outsider's contribution can also be valuable, as it can bring different experiences and perspectives to bear. The following recommendations are offered with the intention of complementing existing actions and in some cases proposing slightly different emphases or priorities.

1. Explicitly aim to decentralise tourism development

In order to help redistribute economic benefits and spread tourism more evenly through the valley, the Colca should be conceptualised as a place to *explore* rather than to visit in a one-off journey from Arequipa. Both Chivay and Cabanaconde could be promoted as places for tourists to base themselves and explore the surrounding area. This can be achieved through the gradual improvement of transport, but more importantly through the improvement of information in various formats, including web pages, maps, booklets, and signposting of walking trails and historical sites. Institutions could work with existing small Colca-based agencies to ensure a high standard of services and information is available. The aim would be to increase the average stay in the Colca and encourage a minority to stay a week or more. Publicity could be oriented primarily towards this goal rather than simply increasing the number of tourists to the Colca.

2. Tailor interventions to the specific needs and potentialities of each district

Although the broad areas of action being taken by institutions were supported by the findings of this thesis, I concluded that these were being applied in a general way across the whole valley and there was insufficient focus on the problems and possibilities of each locality. The focus of this research on three districts has helped highlight some specific opportunities.

Tapay could be a priority area for rural community tourism, especially given the need to manage benefits and risks as the road enters the area. This would not require the establishment of additional accommodation services, but would involve greater efforts to strengthen civil society, establish minimum prices, and integrate agricultural producers more thoroughly with tourism. Tourists could stay longer to learn about local livelihoods and explore the surrounding area on foot.

Cabanaconde could be a priority area for agro-tourism. This district is too populous and diverse to expect a community-organised project such as that in Sibayo to function, and there is little point in establishing *casas vivenciales* as further competition for existing accommodation providers. However, there could be much stronger links with local farming, given the fame and quality of the *maiz cabanita* and the beauty of the countryside. Tourists could make day trips to observe and participate in the maize cultivation cycle, while local guides could accompany them and provide explanations.

3. Improve transparency of Autocolca

Confidence in Autocolca could be improved by having more transparent criteria for the prioritisation and allocation of funds, with an indicative distribution between different activities as well as different geographical areas. Making a list of priority actions over the short and medium term could reduce the demands on local governments to make detailed applications for even small projects such as waste disposal on walking trails. Information on income and expenditure is available on the Autocolca web site but this is detailed and not straightforward to access. This information should be presented in simplified form and could be distributed through local media.

4. Reconsider regulatory options to promote equity and local participation

Institutions could consider whether regulatory tools could be used to promote greater local participation and control. The reluctance to use regulation that may favour some groups over others is understandable, but it is questionable whether existing interventions such as skills training will be sufficient to either overcome existing urban bias or promote the “orderly development” desired by most stakeholders. Examples could include capping the number of Arequipa-based tour operators or charging a higher price for the tourist ticket to tour groups than to independent tourists. At a national level, regulations applying to tourism should also be assessed through an “equity lens” that evaluates their impact on improving participation and reducing marginalisation, as well as on service quality and sustainability.

5. Put more effort into preserving Quechua in the Colca Valley

A significant concern for residents and outside observers is the decline of Quechua in the Colca Valley. What was once the maternal language of most of the population is at risk of disappearing entirely within a couple of generations. While there are significant efforts to preserve or recover local culture, this serious issue appears to have been relatively overlooked. Language ties together and makes meaningful other manifestations of local identity, including dress, dance, ritual, and even relationships with the natural environment. A possible way to reinforce pride and visibility of Quechua while also providing economic opportunities is through the establishment of language schools. The initiative of Asdeturconv Colca to offer Quechua classes in Chivay is noted, but there is also potential for the provision of classes somewhere like Sibayo. This could involve professional teachers working with local native speakers and would provide another way to involve older community members. This could be attractive to Peruvian and foreign teachers, students, anthropologists and experiential travellers, while also providing a resource to local schools.

10.3 Areas for future research

The political economy approach and investigation of more than one case study area required the inclusion of multiple stakeholder groups and perspectives but limited the sustained attention that could be given to any one theme. There are a

number of areas which were only touched on in the thesis, where further detailed research would be both interesting and valuable.

1. Detailed study of the economic contribution of tourism

The thesis concludes that tourism has allowed a few families to strengthen their economic position and has provided useful income diversification for others. A more detailed study could be undertaken with selected participants on the contribution of tourism at a household level, including income and outgoings, use of formal and informal finance, and destination of profits. This could be combined with ethnographic life-history research to provide a qualitative dimension.

2. Detailed study of the of the Arequipa tour operator industry

The survey described in section 8.1 only scratches the surface of the Arequipa travel industry, which has more than 200 registered businesses. A more exhaustive study could be extended to cover profit levels, employment relations, participation in guild organisations and relationships with hotels, guides and transport providers. Extending this to include sub-contractual relations with national and international agencies would be complementary to this study's focus on the regional-local section of the tourism value chain.

3. Study of the role and identity of the tour guide

The role of tour guides is discussed only briefly in relation to the ability of the local people to act as mediators for their own geographical and cultural spaces. However, additional study could be undertaken on the much-criticised "guides from Arequipa", who from casual acquaintance I found were themselves often first or second generation migrants from the sierra. Quantitative aspects (who are the guides? where are they from?) could be combined with richer ethnographic study of personal histories and construction of identity.

4. Longitudinal study of the dynamic of change in Tapay and Sibayo

The thesis notes that follow-up research will be important to assess the extent to which the rural community tourism project in Sibayo has achieved its objectives. In addition, the new road connecting Cabanaconde to Tapay will provide new

opportunities and challenges for the latter community, at the same time as local residents and institutions work to make tourism more broadly beneficial and sustainable. These changes could be the focus of an ethnographic study of either or both communities, which in the case of Tapay would provide an interesting update to the work of Paerregaard (1997).

5. Broader research agenda to link grassroots and structuralist perspectives on development

As well as specific research topics related to the case study areas, the general methodological approach of this thesis could be extended and further refined. Within development studies there is potential for more research that combines the rich local detail and recognition of diversity provided by grassroots development perspectives, with the analytical strength and historical sweep offered by structuralist theories. While this study looks at a single sector within a defined geographical region, future research could be either broader or more focussed.

References

Summary of Research Participants

Table 1 provides a summary of key research participants by the stakeholder categories described in Chapter 2 on Methodology. Table 2 provides a fuller list of research participants and a numerical key which is used to reference direct quotations in the text of the thesis. The list is derived from my field notes and includes all those whom I formally interviewed or who were specifically identified as providing information. In-text quotes are cited as “RP” (research participant) along with the number corresponding to the participant listed in Table 2. For reasons of confidentiality, names are not given, although inevitably some participants can be identified by their description.

These lists do not cover the quantitative survey of Arequipa-based travel agencies and additional qualitative information contributed by participants in this process; information gained at the “Municipal Management of Tourism” conference on 27–28 April 2010; or information gained through participant observation or casual conversation where informants were not specifically identified in field notes.

Table 1: Summary of key research participants by stakeholder category

Representatives of institutions involved in linking tourism and development
<ul style="list-style-type: none">• Regional tourism ministry (GERCETUR)• Autocolca• Desco• Grupo GEA• Asdeturconv Colca• Organización de Gestión de Destino (OGD)• Competividad, Inovación y Desarrollo Arequipa (CID-AQP)• Sierra Sur• Universidad Nacional de San Agustín (tourism programme)
Local authorities, small businesses and community members (Cabanaconde)
<ul style="list-style-type: none">• Proprietors or family members of 11 tourist-oriented service providers in Cabanaconde village and 3 of the 6 <i>hospedajes</i> in Sangalle• 4 members of the Cabanaconde local guides association• the mayor of the district• the two <i>regidores</i> (councillors) responsible for tourism-related matters• the president of the maize producers association• the president of one of the two women's artisans associations

<ul style="list-style-type: none"> the director of the CETPRO (technical education institute)
Local authorities, small businesses and community members (Tapay)
<ul style="list-style-type: none"> 3 of the 5 tourist accommodation providers in the village of San Juan de Chuccho The single permanently active tourist accommodation provider in the central settlement of Tapay One of the two tourist accommodation providers in the village of Coshñirgua The single tourist accommodation provider in the village of Malata
Local authorities, small businesses and community members (Sibayo)
<ul style="list-style-type: none"> representatives of 8 out of the 12 families providing tourist accommodation the tourism promoter the manager and secretary of the municipality the president of the tourism association a spokesperson for the artisans association I attended a presentation by the mayor and <i>regidor</i> responsible for tourism

Table 2: List of all research participants identified in field notes

Research participant (RP) number	Participant description	Type of participation
1	Administrator of economic hostel, Cabanaconde	Semi-structured interview and unstructured conversation
2	Family member, economic hostel, Cabanaconde	Unstructured conversation
3	Guide and administrator of accommodation services, Cabanaconde and Sangalle	Unstructured conversation
4	Local guide, Cabanaconde	Semi-structured interview, unstructured conversation
5	Local guide, Cabanaconde	Unstructured conversation
6	Return migrant community member, Cabanaconde	Unstructured conversation
7	Director of CETPRO, Cabanaconde	Semi-structured interview and unstructured conversation
8	Restaurant proprietor, Cabanaconde	Semi-structured interview
9	Employee of economic hostel, Cabanaconde	Unstructured conversation
10	Employee of economic hostel, Cabanaconde	Unstructured conversation
11	Local guide and proprietor of <i>hospedaje</i> in Sangalle (Cabanaconde)	Semi-structured interview
12	Family member, economic hostel, Cabanaconde	Semi-structured interview and unstructured conversation
13	Municipal <i>regidor</i> , Cabanaconde	Semi-structured interview
14	Proprietor of three-star hotel, Cabanaconde	Semi-structured interview
15	Local guide and proprietor of <i>hospedaje</i> in Sangalle	Semi-structured interview
16	Employee, one-star hotel, Cabanaconde	Semi-structured interview
17	Employee, one-star hotel, Cabanaconde	Semi-structured interview
18	Proprietor, economic hostel, Cabanaconde	Semi-structured interview, unstructured conversation

Research participant (RP) number	Participant description	Type of participation
19	Proprietor, two-star hotel, Cabanaconde	Semi-structured interview
20	President of artisans association, Cabanaconde	Semi-structured interview
21	Proprietor, café and craft shop, Cabanaconde	Semi-structured interview
22	Proprietor, economic <i>comedor</i> , Cabanaconde	Semi-structured interview
23	Community member, Cabanaconde	Unstructured conversation
24	Community member, Cabanaconde	Unstructured conversation
25	Community member, Cabanaconde and Tapay	Unstructured conversation
26	Proprietor, economic hostel, Cabanaconde	Semi-structured interview
27	Administrator, primary school, Cabanaconde	Unstructured conversation
28	Community member, Cabanaconde	Unstructured conversation
29	Expatriate community member, Cabanaconde	Unstructured conversation
30	President of maize producers association, Cabanaconde	Semi-structured interview
31	Municipal <i>regidor</i> , Cabanaconde	Unstructured conversation
32	Proprietor, economic hostel, Cabanaconde	Semi-structured interview
33	Community member, Cabanaconde	Unstructured conversation
34	Community member, Cabanaconde	Unstructured conversation
35	Mayor of Cabanaconde	Semi-structured interview
36	Proprietor, economic hostel, Cabanaconde	Semi-structured interview
37	Guide and family member of <i>hospedaje</i> in San Juan de Chuccho (Tapay)	Semi-structured interview
38	Proprietors of <i>hospedaje</i> in Malata (Tapay)	Semi-structured interview
39	Proprietors of <i>hospedaje</i> , San Juan de Chuccho, (Tapay)	Semi-structured interview
40	Proprietor of <i>hospedaje</i> , San Juan de Chuccho, (Tapay)	Semi-structured interview
41	Proprietor of <i>hospedaje</i> , Tapay	Semi-structured interview
42	Proprietor of <i>hospedaje</i> , Coshñirhua (Tapay)	Semi-structured interview
43	Shopkeeper in Coshñirhua (Tapay)	Unstructured conversation
44	Head of household with <i>casa vivencial</i> , Sibayo	Unstructured conversation
45	Tourism promoter, Sibayo	Semi-structured interview
46	Manager of municipality, Sibayo	Semi-structured interview
47	Head of household with <i>casa vivencial</i> , Sibayo	Unstructured conversation
48	Head of household with <i>casa vivencial</i> , Sibayo	Unstructured conversation
49	Head of household with <i>casa vivencial</i> , Sibayo	Conversation in group
50	Head of household with <i>casa vivencial</i> , Sibayo	Conversation in group
51	Head of household with <i>casa vivencial</i> , Sibayo	Conversation in group
52	President of tourism association, Sibayo	Semi-structured interview
53	Head of household with <i>casa vivencial</i> , Sibayo	Semi-structured interview
54	Head of household with <i>casa vivencial</i> , Sibayo	Semi-structured interview
55	Secretary of municipality, Sibayo	Unstructured conversation
56	Spokesperson for artisans association, Sibayo	Semi-structured interview
57	Proprietor of local travel agency, Chivay	Semi-structured interview
58	Proprietor of hostel, Chivay	Unstructured conversation
59	Employee of Autocolca, Chivay	Unstructured conversation
60	Director of rural community tourism programme, GERCETUR (regional tourism ministry)	Semi-structured interview and unstructured conversation

Research participant (RP) number	Participant description	Type of participation
61	Tourism consultant, Autocolca	Semi-structured interview
62	Tourism promoter, Grupo GEA	Semi-structured interview
63	Coordinator of rural tourism programme, Desco	Semi-structured interview
64	Skills training coordinator, Grupo GEA	Semi-structured interview and unstructured conversation
65	Founder, Asdeturconv Colca	Semi-structured interview and unstructured conversation
66	Project head, Grupo GEA	Unstructured conversation
67	Executive director, OGD	Semi-structured interview
68	Tourism and environment consultant, CID-AQP	Semi-structured interview
69	Tourism specialist, regional tourism ministry	Semi-structured interview
70	Tourism specialist, regional tourism ministry	Semi-structured interview
71	Local office chief, Sierra Sur	Semi-structured interview
72	Director of tourism programme, San Agustin University	Semi-structured interview and unstructured conversation

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Appendices

Appendix 1: Institutions Involved in the Colca Valley Tourism Technical Committee

Name of institution	Description and sphere of operation	Source and level of funds	Objectives and activities with respect to tourism and development
Regional Ministry of Tourism and Foreign Commerce (GERCETUR)	Decentralized government ministry, based with the regional government.	Operational budget of approximately S/. 220,000. Access to national funds for investment in tourism through Plan COPESCO.	Rural community tourism programme aims to: “strengthen the development of rural community tourism as a tool for fighting poverty through a national policy promoting the participation of rural communities, formation of human resources, and involvement of regional and local governments”.
Autocolca	Semi-autonomous agency, administered by provincial and district governments.	S/. 4 million per annum through tourist ticket receipts	Objectives established by legislation (see section 8.2). Current areas of action include: <ul style="list-style-type: none"> • Contribution of funding for maintenance and upgrading of local roads, and restoration and improvement of local infrastructure, architecture and archaeology • Support for Talleres del Colca (“Colca Workshops”) technical education programme • Dedicated budget for marketing and promotion
Competitividad, Innovación y Desarrollo Arequipa (CID-AQP)	Regional programme that aligns public, private and academic sectors to promote competitiveness, innovation and development.	Approximately €30,000 per annum dedicated to tourism, largely from Dutch development agencies.	Tourism is one of the programme’s three “economic arms” that mesh with four “lines of action”. Aims to improve service quality and raise population awareness of tourism. Specific activities include: <ul style="list-style-type: none"> • Promotion of consortiums, including of craft workers and small businesses • Facilitation of online “virtual tourist information centre” • Piloting of “Building with children” programme to raise awareness of tourism and sustainability

Name of institution	Description and sphere of operation	Source and level of funds	Objectives and activities with respect to tourism and development
Organización de Gestión del Destino (OGD)	Macroregional tourism peak body including State, private sector and civil society organizations.	Approximately S/. 70,000 in 2010, largely derived from Swiss Contact development agency. Able to leverage additional amounts through member organizations.	Aims to bring together different sector stakeholders to both increase tourism volumes and diversify products. Four key themes are: <ul style="list-style-type: none"> • institutional strengthening • product improvement and diversification • promotion and publicity • skill development and awareness raising
Desco	Peruvian NGO, with 25 years working on grassroots development programmes in the Colca Valley.	Approximately S/. 200,000 per annum dedicated to tourism-related projects in the Colca Valley. Funding sourced from donors including regional and local Spanish governments.	Specific actions to link tourism and development include: <ul style="list-style-type: none"> • Establishment of ten tourist routes that are complementary to current attractions and will help extend the stay of tourists. • Funding 25 individual initiatives in rural community tourism during the past two years. • Funding craft exhibition workshops in several villages.
Grupo GEA	Peruvian NGO that has recently extended its operations from Lima to the Colca Valley.	S/. 2 million over 4 years dedicated to the Mundo Colca project, provided through Fondo Empleo.	The Mundo Colca programme aims to strengthen the contribution of tourism to local development, through the development of five geographically-defined “micro-corridors”. Four components cover: <ul style="list-style-type: none"> • Strengthening community organization and management • Improvement and diversification of tourism products • Improvement of infrastructure and facilitation of investment • Marketing and promotion
Sierra Sur	Time-limited State programme, dependent on the Ministry of Agriculture. First phase 2005—10.	\$16 million USD loan over 5 years from the United Nations Agricultural Development Fund covering 5 southern departments (Arequipa, Cuzco, Puno, Moquegua and Tacna).	The three principal themes of the programme are: <ul style="list-style-type: none"> • Promote sustainable management of natural resources • Promote small business development and facilitate involvement of (especially) women in the formal financial system • Promote awareness and management of cultural resources

Name of institution	Description and sphere of operation	Source and level of funds	Objectives and activities with respect to tourism and development
Asdeturconv Colca	Private association based in Chivay.	No operational budget, works with volunteers and charges for classes. Registered with Ministry of Education as an intermediate-level CETPRO	Mainly works through education. Objectives include: <ul style="list-style-type: none"> • Development of rural community tourism projects in the Colca Valley • Development of proposals and support for local initiatives, especially by young people • Improvement of the academic standard of secondary and tertiary education • Economic development of natural and cultural heritage
AECID	Spanish State development agency	\$1.25 million USD over 2007—10 towards 4 national rural community tourism programme pilots (one of which is Sibayo). \$1.47 million USD 2004—08 towards cultural heritage project (2010 budget unknown).	<ul style="list-style-type: none"> • Support national rural community tourism programme (see description under GERCETUR above) • Support Talleres del Colca technical education programme which aims to develop a more skilled and specialized local workforce • Support integrated local development through conserving historic heritage and recovering local cultural identity
Peace Corps	US State volunteer agency.	No operational budget, volunteer work only.	Distributes volunteers to various villages throughout the Colca Valley based on perceived local needs and expertise of volunteers.
GTZ	German State development agency.	Unknown	Not currently involved in the Tourism Technical Committee but was previously involved in the Colca Valley through the COPASA project. Reportedly helped fund the construction of <i>miradores</i> as well as working in agriculture-related projects.

Source: participant interviews, Autocolca 2010a, AECID accessed September 2010, CID-AQP accessed September 2010, OGD accessed September 2010, MINCETUR accessed September 2010, Sierra Sur accessed September 2010.

Appendix 2: Glossary and currency conversion

This thesis occasionally uses Spanish or Quechua terms in the text. These are included where direct translation is difficult or loses some of the richness or specificity in the original expression. Some of these terms are specific to Peru, deriving from local political or administrative systems or traditional practices. Others are local slang, or jargon that has developed within certain sectors. Where these are used in the text, a roughly equivalent translation is provided. Table 1 provides fuller explanations of the nuances of meaning and a single reference point for the non-English terminology used in the thesis.

The thesis also uses local currency values throughout. Table 2 provides the exchange rates for the Peruvian *nuevo sol* (written S/.) with international currencies as at July 2010.

Table 1: Glossary

<i>Acompañante local</i>	<i>Acompañante</i> literally means “companion” or “accompanier”. This was a category used by the Peruvian Ministry of Tourism for local guides in order to protect the term <i>guía</i> (guide) or those with a tertiary education.
<i>Anexo</i>	In Peruvian political geography, an “annex” refers to an urban area or village within a district that is separate from and generally smaller than the district capital.
<i>Asociatividad</i>	An abstract noun covering a wide variety of forms of civil society as well as the philosophy of working together in formalised ways.
<i>Asistencialismo</i>	A close English equivalent would be “welfarism”. An abstract noun used to colour criticisms of State or non-governmental agencies that provide[d] “handouts” rather than working to empower people to improve their own lives.
<i>Ayni</i>	A Quechua word describing system of reciprocal exchange of labour traditionally used in Andean communities to mobilise workers for purposes such as harvesting, house construction or other projects.
<i>Capacitación</i>	Can be literally translated as “training” but used very broadly in Peru, so in some circumstances a better English equivalent would be “upskilling” or “skills training”. Also used as a countable noun; for example, “we offer <i>capacitaciones</i> to local people”.
<i>Casa vivencial</i>	“Vivencial” makes an adjective out of the verb “vivir” (to live). The closest literal translation of <i>casa vivencial</i> would be “home stay” or “guest house”. It refers to accommodation where (in theory) the guest <i>lives with</i> the host, sharing their way of life.
<i>Chullo</i>	The classic “Peruvian” or “Andean” woolly hat, cone shaped with large ear flaps. Traditionally made from alpaca fibre but cheaper versions are often blended or entirely made from llama or sheep wool or synthetic fibre.
<i>Comedor</i>	A basic restaurant, diner, or room for eating, mainly serving cheap set meals or <i>menus</i> (see below).
<i>Convenio</i>	A general term used to refer to a formal, usually written, agreement, less specific than English terms such as “contract” or “memorandum of understanding”.
<i>Cuy/ Cuyes</i>	Peruvian guinea pig, commonly raised by families in the sierra and considered a delicacy either fried (<i>cuy chactado</i>) or stuffed with herbs and baked (<i>cuy al horno</i>)
<i>Cholo/a</i>	A Peruvian term with complex layers of meanings about which whole books could and have been written (eg, Wesimantel 2001). Most commonly used as a derogatory term referring to urban migrants of indigenous background,

	in particular those who have not ascended the hierarchy of “whiteness” by obtaining greater education, wealth or power. However, its use is being modified and subverted in a number of ways: young urban Peruvians sometimes call each other “cholo” in a friendly joking way; and it can also be taken to simply mean mixed race, as in the expression <i>somos todos cholos</i> (we’re all <i>cholos</i>).
<i>Contrapartida</i>	This refers to the cash or in-kind contribution from a beneficiary of a project supported by an outside agency. A possible English translation would be “matching contribution”, but the <i>contrapartida</i> does not have to be of the same value as the external contribution.
<i>Regidor</i>	A local government councillor. In Peru, councillors are not elected separately at local body elections but as part of a small executive team led by the mayor (so people vote for a team of a mayor and <i>regidores</i>).
<i>Corregidor</i>	An official of the Spanish Crown during colonial times, who operated at the city or district level and combined judicial and administrative powers. They tended to be put in place to replace local potentates (such as <i>encomenderos</i>) who had got out of control.
<i>Encomienda</i>	A system put in place by the Spanish Crown in Latin America after the Conquest whereby a group of Indians was “commended” to a private individual such as a soldier or Conquistador. This <i>encomendero</i> was permitted to extract tribute from the Indians and in theory was supposed to protect and instruct them in the Christian faith. In practice this system led to many abuses.
<i>Expediente técnico</i>	A broad term for technical documentation usually prepared in support of a request for financing. An English equivalent in some instances could be “business case”.
<i>Hacienda</i>	Large extensively farmed estate historically common throughout post-Conquest Latin America.
<i>Hospedaje</i>	A general term for accommodation. Also used to refer more specifically to accommodation services up to a simple family-run hotel and in particular the basic services such as those in the Tapay district that would not quite qualify for the description “hostel”. In several places in the text I prefer the Spanish term to the awkward “accommodation services”.
<i>Jalar</i>	Literally means “to pull”. In Peru, often used in a commercial context to refer to attracting or convincing a potential customer to buy.
<i>Mestizo/a</i>	Literally, a person of mixed Spanish and Indian descent. However, it has also taken on an ethnic or cultural meaning: to be mestizo (<i>misti</i> in Quechua; a similar expression is <i>ladino</i> in Guatemala) is to be non-Indian in terms of dress, language and livelihood. See also <i>cholo</i> .
<i>Ordenanza</i>	A regulation or bylaw emitted by a local government, usually at district level.
<i>Mirador</i>	Lookout or lookout point.
<i>Menu</i>	A set meal served in most economic and mid-range restaurants during the middle of the day for the main meal or <i>almuerzo</i> . It usually comprises a soup or entree, main course, and drink or dessert.
<i>Pasantía</i>	The dictionary translates this as “internship” but in Peru it is often used with a broader meaning of “practical learning experience”. So, a two-day trip to another community to observe their community tourism project could be called a <i>pasantía</i> .
<i>Puna</i>	A Quechua word for the high grasslands above about 3,800 metres in Peru and Bolivia where the climate is extreme and the only productive activity is herding alpacas and llamas.
<i>Reducciones</i>	In the 16 th century in Peru under Viceroy Toledo, the population of the sierra that had been living in scattered <i>ayllus</i> (extended family units) was “reduced” or forced into centralized villages, referred to as <i>reducciones</i> . This was done to facilitate taxation and religious conversion.
<i>Turismo vivencial</i>	See <i>casa vivencial</i>
<i>Transporte turístico</i>	Literally “tourist transport”, usually referring to an 8 to 16-seater minivan used for guided group tours.

Table 2: Exchange rate of Peruvian nuevo sol with selected currencies, July 2010

	New Zealand dollar (\$NZD)	US dollar (\$USD)	Euro (€)
<i>Nuevos soles</i> (S/.) per currency unit	1.99	2.84	3.48

Source: author's bank statement (NZD), direct observation in Arequipa and Cuzco (USD and euro)

Appendix 3: Schedule for semi-structured interviews: institutions

Project Title	<i>The development impact of rural tourism in Arequipa, Peru</i>
Researcher	Simon Bidwell
Research Supervisor	Professor Warwick Murray

This interview schedule provides an outline of the likely interaction with participants in the proposed research. However, conversation will be semi-structured and may depart from the list of questions shown here.

Interactions with participants will not necessarily happen in the order set out in this schedule, and, with the exception of the informed consent, not all questions will necessarily be asked.

Introduction

Description of the research being undertaken: the purpose is to critically evaluate the development impact of rural tourism in the Colca Valley.

Informed Consent

- Confirmation that participant consents to the researcher taking notes and/or making an electronic recording during the conversation.
- Explanation of what will be done with the notes and recordings: they will be used as material in the development of a Master's thesis in Development Studies.
- Confirmation that participant is happy for notes and recordings to be retained in the possession of the researcher, with appropriate safeguards.
- Assurance that the participant will not be personally identified in any reports written from the research, unless they specifically would like to be identified

Question list (English)

1. Explanation of Institution's Role with Respect to Development

How would you describe the objectives of [name of institution]

How would you define the concept of "development"?

How does tourism fit into the objectives of [name of institution]?

Do you think tourism can contribute to development?

2. Concept of Ecotourism or Sustainable Tourism

What is your understanding the concepts of “ecotourism” and / or “sustainable tourism”? How would you define these terms?

To what extent do you think that tourism to the Colca Valley occurs in accordance with what you understand to be the philosophies of ecotourism / sustainable tourism?

Do you think local people benefit from tourism in the Colca Valley? If not, why not? Do some benefit more than others, and if so why? What changes would

What do you think are the [potential] negative impacts of tourism? What can be done to control or mitigate these?

Question list (Spanish)

Papel de la institución en cuanto al desarrollo

¿Me puede explicar el papel que tiene [esta institución] en cuanto al desarrollo regional y local?

¿Cómo define usted el concepto del “desarrollo”?

¿Qué importancia tiene el turismo para [esta institución]?

¿Ud. cree que el turismo puede contribuir al desarrollo? ¿Cómo?

2. El impacto del turismo

¿Qué cree que significan los conceptos de “ecoturismo” y “turismo sostenible”? ¿Cómo definiría estos términos?

¿Ud. cree que el turismo en el valle del Colca conforma con los principios que abarca el ecoturismo / turismo sostenible?

¿Cree que la gente local obtiene beneficios del turismo en el valle del Colca? Si no, ¿por qué no? ¿Cree que algunos obtienen más beneficios que otros, y por qué? ¿Qué cambios harían que los beneficios se distribuyen mejor?

¿Qué cree que son los impactos negativos o impactos negativos potenciales del turismo?
¿Qué se puede hacer para controlar o reducir estos impactos?

Appendix 4: Schedule for semi-structured interviews: local authorities, small businesses and community members

Project Title	<i>The development impact of rural tourism in Arequipa, Peru</i>
Researcher	Simon Bidwell
Research Supervisor	Professor Warwick Murray

This interview schedule provides an outline of the likely interaction with participants in the proposed research. This forms a general template for interviews of conversations with stakeholders including:

- proprietors and employees of small tourism-related businesses
- tourist guides
- community members

However, it is expected that conversation will be semi-structured and participant-directed. It will not necessarily follow the order set out in this schedule, and, with the exception of the informed consent, not all questions will necessarily be asked.

Introduction

Description of the research being undertaken: the purpose is to critically evaluate the development impact of rural tourism in the Colca Valley

Informed Consent

- Confirmation that participant consents to the researcher taking notes and/or making an electronic recording during the conversation.
- Explanation of what will be done with the notes and recordings: they will be used as material in the development of a Master's thesis in Development Studies.
- Confirmation that participant is happy for notes and recordings to be retained in the possession of the researcher, with appropriate safeguards.
- Assurance that the participant will not be personally identified in any reports written from the research, unless they specifically would like to be identified.

Question list (English)

1. Personal background/biography

Can you tell me something about your background?

[If participant is reticent or isn't sure what to tell...]

Where were you born and where did you grow up?

[If grew up in a rural area...]

When was the first time that you visited the city (e.g. Arequipa, Lima)?

What did your parents do when you were growing up?

What do you do now? How long have you been doing that? What other jobs have you worked in?

Do you have children? How many do you have?

2. Cultural background

Until what age did you go to school? Can you tell me something about what school was like?

What language did you speak at home when you were a child? Can you speak Quechua? Can you understand it?

[If he or she lives in Arequipa city...]

Do you go back to your village for the fiestas?

3. Work in Tourism

Can you explain to me the kind of work you do and what it involves?

How did you begin working / operating a business in tourism? What had you done before? How did you choose or were led to work / start a business in this area?

Do you [at the moment] do other kinds of work apart from tourism-related work? For example, agriculture, work with or for your family, other wage-earning work?

How does work in tourism compare to other things you do or have done, eg, in terms of remuneration, hours of work, working conditions, the people you work with?

If you were able to choose, what would you most like to be doing?

Perspective on Tourism and its Impacts

How do you understand the concepts of “ecotourism” and / or “sustainable tourism”? How would you define these terms?

To what extent do you think that tourism to the Colca Valley occurs in accordance with what you understand to be the philosophies of ecotourism / sustainable tourism?

Do you think local people benefit from tourism in the Colca Valley? If not, why not? Do some benefit more than others, and if so why? What changes would

What do you think are the [potential] negative impacts of tourism? What can be done to control or mitigate these?

Do you recall anything about life before the Majes project? What was that like?

How do you think that [place where you are from or live] has changed in the past 5/10/20 years? How has Arequipa changed?

What do you think about the tourists who come here? What do people [in your community] who don't work in tourism think?

Question list (Spanish)

1. Biografía y experiencias personales

¿Me puedes contar algo sobre ti?

[Si no está seguro de qué contar]

¿Dónde naciste, y en donde creciste?

¿Cuándo fue la primera vez que visitaste la ciudad (Arequipa, Lima)?

¿A qué se dedicaron tus papas?

¿A qué te dedicas ahora? ¿Hace cuanto tiempo trabajas en eso? ¿En que más has trabajado?

¿Tienes hijos? Cuantos tienes?

2. Formación y experiencia cultural

¿Hasta qué edad fuiste al colegio?

¿Qué idioma hablaban en la casa cuando eras niño? ¿Puedes hablar Quechua? Puedes entenderlo?

[Si vive en Arequipa...]

¿Vuelves a tu pueblo para las fiestas?

3. Trabajo en el turismo

¿Me puedes explicar el trabajo que haces y lo que tienes que hacer en ello?

*¿Cómo empezaste a trabajar / tener un negocio en el turismo? ¿Qué habías hecho antes?
¿Cómo elegiste o llegaste a hacer ese trabajo / emprender ese negocio?*

¿En este momento tienes otro trabajo además del trabajo en turismo? Por ejemplo, ¿tienes tus chacras, trabajo familiar u otros trabajos pagados?

¿Cómo compara el trabajo en turismo con otras cosas que has hecho, por ejemplo, en cuanto al sueldo, las horas de trabajo, las condiciones de trabajo, la gente con quien y para quien trabajas?

¿Si tuvieras la oportunidad de escoger, a qué te dedicarías?

4. Perspectiva sobre el impacto del turismo

¿Crees que la gente local obtiene beneficios del turismo en el valle del Colca? ¿Si no, por qué no? ¿Crees que algunos obtienen más beneficios que otros, y por qué? ¿Qué cambios harían que los beneficios se distribuyan mejor?

*¿Qué crees son los impactos negativos o impactos negativos potenciales del turismo?
¿Qué se puede hacer para controlar o reducir estos impactos?*

¿Recuerdas algo de cómo era la vida antes del proyecto Majes? ¿Cómo era?

¿Cómo consideras que [tu pueblito] ha cambiado en los últimos 5/10/20 años? ¿Cómo ha cambiado Arequipa?

¿Qué opinas de los turistas que vienen aquí? ¿Qué opina la gente en tu pueblito que no trabaja en el turismo?

Appendix 5: Arequipa Travel Agencies Survey

Encuesta de Agencias de Turismo de Arequipa 2010

Esta encuesta contribuirá a una investigación sobre el impacto del turismo rural en el desarrollo de la región de Arequipa. Se busca entender las formas en las que se desarrolla el turismo y los papeles que se desempeñan los diferentes participantes, incluyendo las agencias.

En el informe final, toda la información reunida de esta encuesta sólo aparecerá en forma conjunta, y en ningún caso se identificará una agencia o persona individual.

No hay obligación de contestar las preguntas a las cuales no sabe la respuesta o que le incomoden. Sin embargo, en este caso se agradecería el nombre o el correo electrónico de una persona que tenga esta información. Si usted desea, el análisis de los resultados le será enviado. También se plantea la opción de participar en una breve entrevista para compartir sus perspectivas sobre el turismo, que sería realizada a su conveniencia.

1. ¿Cuál es el nombre oficial de la empresa?

2. ¿Hace cuanto tiempo está operando la agencia?

3. ¿De dónde son los dueños de la agencia? (marque una de las siguientes)

La ciudad de Arequipa
Otra provincia de Arequipa
Otro departamento del Perú
Otro país

4. ¿Cuáles de las siguientes actividades turísticas **opera** la agencia? (Esto significa que la agencia provee o contrata el guía y la movilidad y organiza el alojamiento, la comida, etcétera).

Colca tour tradicional (en minibús)	
Colca trekking	
Montañismo (Misti, Chachani, etcétera)	
Turismo de aventura especializado (por ejemplo bicicleta, rafting)	
Turismo vivencial	

5. ¿Cuáles de las siguientes actividades turísticas **endosa o subcontrata** esta agencia a otra agencia? (Es posible que a veces opere y a veces endose, así que se puede marcar la misma actividad tanto en pregunta 5 como en pregunta 4).

Colca tour tradicional (en minibús)	
Colca trekking	
Montañismo (Misti, Chachani, etcétera)	
Turismo de aventura especializado (por ejemplo bicicleta, rafting)	
Turismo vivencial	

6. ¿De todas las ventas de la agencia, que porcentaje vienen de las siguientes maneras? (debe sumar a 100%)

	Numero de clientes	Valor de ventas
Venta particular, de la calle		
Venta particular, por internet		
Agencias de viajes o tour operadores peruanos		
Agencias de viajes o tour operadores extranjeros		
Colegios, universidades u otras instituciones nacionales		
Otra manera (especifique)		

7. ¿De todas las ventas de la agencia, que porcentaje ocupan los siguientes actividades o servicios? (debe sumar a 100%)

	Numero de clientes	Valor de ventas
Turismo urbano (city tour, campiña)		
Colca tour tradicional (en minibús)		
Colca trekking		
Montañismo (Misti, Chachani, etcétera)		
Turismo de aventura especializado (por ejemplo bicicleta, rafting)		
Turismo vivencial		
Ventas de tours en otras partes del Perú (Puno, Cuzco, Nazca)		
Ventas de pasajes en bus o avión		
Otros		

8. Cuántas personas trabajan en la agencia, según las siguientes categorías

	Temporada alta	Temporada baja
Dueño(a) de la agencia		
Contrato permanente con sueldo o sueldo más comisión		
Contrato temporal con sueldo o sueldo más comisión		
Sólo por comisión		

9. Esta información es para una tesis sobre el impacto del turismo rural en el desarrollo regional de Arequipa. ¿Estaría dispuesto a participar en una entrevista de entre 15 y 30 minutos para compartir sus perspectivas y opiniones sobre el turismo?

10. ¿Tiene un correo electrónico que sirve para pedir más información, aclarar dudas, o mandar los resultados de este estudio? (Escríballo abajo)

Appendix 5: Arequipa Travel Agencies Survey (English Translation)

Arequipa Travel Agencies Survey 2010

This survey will contribute to research about the impact of tourism on regional development in Arequipa. The aim is to understand the way in which tourism has developed and the roles played by different participants, including agencies.

In the final report, all information collected from this survey will appear in summarised form, and no individual person or agency will be identified.

There is no obligation to answer questions that you don't know the answer to or do not wish to answer. However, in this case it would be appreciated if you could supply the name or email address of someone who does have the information. If you wish, the survey results will be sent to you. There is also an option of participating in a brief interview to share your perspectives on tourism, which would be carried out at your convenience.

1. What is the official name of the business?

2. How long has the agency been operating?

3. ¿Where are the owners of the agency from? (mark one of the following)

- The city of Arequipa
- Another province of Arequipa
- Another department of Peru
- Another country

4. Which of the following tourist activities does the agency **operate**? (This means that the agency provides or contracts the guide and transport and organises accommodation and food, etc).

Conventional Colca tour (in minibus)	
Colca trekking	
Mountain climbing (Misti, Chachani, etc)	
Specialised adventure tourism (eg biking, rafting)	
Rural community tourism	

5. Which of the following tourist activities does the agency **'endorse'** or **subcontract** to another agency (It's possible that it sometimes operates and sometimes endorses, so the activity can be marked in question 5 as well as question 4).

Conventional Colca tour (in minibus)	
Colca trekking	
Mountain climbing (Misti, Chachani, etc)	
Specialised adventure tourism (eg biking, rafting)	
Conventional Colca tour (in minibus)	

6. Of the agency's total sales, what proportion come from each of the following sources? (must sum to 100%).

	Number of clients	Value of sales
Individual sale from the street		
Individual sale through internet		
Peruvian travel agencies or tour operators		
Foreign travel agencies or tour operators		
Schools, universities, or other Peruvian institutions		
Another source (specify)		

7. Of the agency's total sales, what proportion come from each of the following activities or services? (must sum to 100%).

	Number of clients	Value of sales
Urban tourism (city or countryside tour)		
Conventional Colca tour (in minibus)		
Colca trekking		
Mountain climbing (Misti, Chachani, etc)		
Specialised adventure tourism (eg biking, rafting)		
Rural community tourism		
Sale of tours in other parts of Peru (Cuzco, Puno, Nazca, etc)		
Sale of bus or air tickets		
Others		

8. How many people work in the agency, according to the following categories?

	High season	Low season
Agency owner(s)		
Permanent contract with salary or salary plus commission		
Temporary contract with salary or salary plus commission		
Commission only		

9. This information is for a thesis about the impact of rural tourism on regional development in Arequipa. Would you be prepared to participate in a 15—30 minute interview to share your perspectives and opinions on tourism?

10. Do you have an email address that could be used to ask for more information, clarify uncertainties or send the results of this study? (write below).