STUDIES IN CONTRAST

01 | RESPONSIBLE TOURISM

APRIL 2010

TOURISM IN CENTRAL AMERICA, SOCIAL CONFLICT IN A NEW SETTING

ERNEST CAÑADA

Alba Sud

research and communication for development

Alba Sud
research and communication for development

Tourism in Central America, social conflict in a new setting

Ernest Cañada

This paper is part of the project "Communications initiative on economic change, human mobility, tourism, and territorial governance in Central America," co-implemented by Fundación PRISMA and Alba Sud (May 2009-April 2011).

A version of this paper was included in the book *Turismo y conflictos socio-ambientales en Centroamérica*, edited by Ernest Cañada (Editorial Enlace, Managua, 2010).

Translation: Susan C. Greenblatt

PRISMA

Design: estudioja.com

TABLE OF CONTENTS

Antigua, Guatemala © Michael R. Swigart

1. STRUCTURAL ECONOMIC CHANGE[1]

In short order, tourism has become an important source of economic accumulation in Central America. Despite a downturn starting in late 2008 stemming from the international economic crisis, which affected the region and this sector in particular, Central America's tourism industry has been growing at an average of 10% per year over the past decade (ICEFI, 2008:40).

The number of tourist arrivals and amount of foreign currency generated have been progressively increasing across the entire region in recent years.

Other economic indicators from the traditional economic literature, which should be taken with all the caveats inherent in an ecological economic critique, also "show" the significant weight of tourism in all the countries of Central America between 2003 and 2008, with regard to its contribution to the Gross Domestic Product (GDP), employment, and exports. Overall growth in the tourism GDP has been equally significant.

This evolution of the sector is part of a structural economic change. From a traditional agro-export base 30 years ago—primarily cotton, bananas, sugar, coffee and beef—there has been a shift to a more complex model of insertion in the international economy, where remittances, traditional and non-traditional agricultural exports, the export processing industry (maquilas), and tourism predominate. Comparative data from 1978 and 2006 of foreign currency that has entered the area, by sector and country, demonstrate the dimensions of the shift that has occurred. Despite their respective idiosyncrasies, it is evident that tourism has a significant weight in all of the countries in the area, and that this activity plays a relevant role in their pattern of international economic insertion.

1.- An earlier version of this paper was presented and discussed at the Global Forum on Sustainable Tourism at the World Social Forum (Belem, Pará, Brazil, 29-31 January 2009) and at the Regional Dialogue: Global Crisis and Territorial Dynamics in Central America: Implications for the development of alternatives," held by Fundación PRISMA (San Salvador, El Salvador, 14-15 May 2009). I am grateful for the observations and suggestions made by the following people, although this does not mean they necessarily endorse the entirety of the present paper, nor are they responsible for its shortcomings: Ileana Gómez and Xenia Ortiz (Fundación PRISMA), Joan Buades (Alba Sud–GIST), Jordi Gascón (Acción por un Turismo Responsable–ATR), Norma Sánchez (Alba Sud), Flora Acevedo (UNAN Managua), Gadi Amit (Confraternidad Guanacasteca), Antonio Aledo (Universidad de Alicante), Macià Blàzquez and all the other members of the Group to Research Sustainability and Territory (GIST) of the University of the Balearic Islands.

TOURIST ARRIVALS BY COUNTRY AND YEAR

COUNTRY	2002	2003	2004	2005	2006	2007
BELIZE	199,521	220,574	230,848	236,573	247,325	879,000
COSTA RICA	1,113,359	1,238,692	1,437,098	1,659,167	1,725,261	1,935,000
EL SALVADOR	950,597	857,378	966,416	1,154,386	1,257,952	1,069,000
GUATEMALA	884,190	880,223	1,181,526	1,297,671	1,481,547	1,585,000
HONDURAS	549,500	610,535	640,981	673,035	738,667	831,000
NICARAGUA	471,622	525,775	614,782	712,444	773,398	800,000
PANAMA	533,503	565,993	621,304	661,401	718,069	852,000
TOTAL	**4,702,292**	**4,899,170**	**5,692,955**	**6,394,677**	**6,942,219**	**7,952,000**

Source: Central American Tourism Council (CCT), Central American Integration System (SICA).

FOREIGN EXCHANGE (IN US$ MILLIONS) BY COUNTRY AND YEAR

COUNTRY	2002	2003	2004	2005	2006	2007
BELIZE	132.8	155.7	172.7	174.7	166.0	n/d
COSTA RICA	1,078.0	1,199.4	1,342.6	1,551.3	1,629.3	1,919.9
EL SALVADOR	342.2	373.0	424.7	644.2	870.6	744.9
GUATEMALA	612.2	599.7	770.1	868.8	1,012.0	965.4
HONDURAS	304.8	363.4	390.7	407.6	474.4	524.7
NICARAGUA	116.4	151.8	166.7	207.0	239.0	*188.8
PANAMA	678.8	805.0	906.0	971.0	1,270.0	n/d
TOTAL	**3,265.2**	**3,648.0**	**4,173.5**	**4,824.6**	**5,661.3**	**4,343.7**

*As of September 2007 Source: CCT, SICA.

TOURISM GROSS DOMESTIC PRODUCT (GDP)

COUNTRY	Contribution to GDP Annual Average 2003-2008	Contribution to Employment Annual Average 2003-2008	Contribution to Exports Annual Average 2003-2008	Real Growth in Tourism GDP Annual Average 2003-2008
COSTA RICA	14.3	13.9	18.9	6.2
EL SALVADOR	8.5	7.5	22.3	7.7
GUATEMALA	6.9	6.0	20.5	4.2
HONDURAS	9.8	8.1	15.6	8.3
NICARAGUA	6.4	5.2	18.2	5.4
PANAMA	11.1	10.6	14.0	14.7
LATIN AMERICA	6.8	6.5	9.2	5.3

Note: 2008 figures are projections; 2007 figures are estimates.
Source: Tourism Satellite Account (TSA) by country, World Travel & Tourism Council (WTTC) and Oxford Economics (OE), 2008, cited in Torres, 2009.

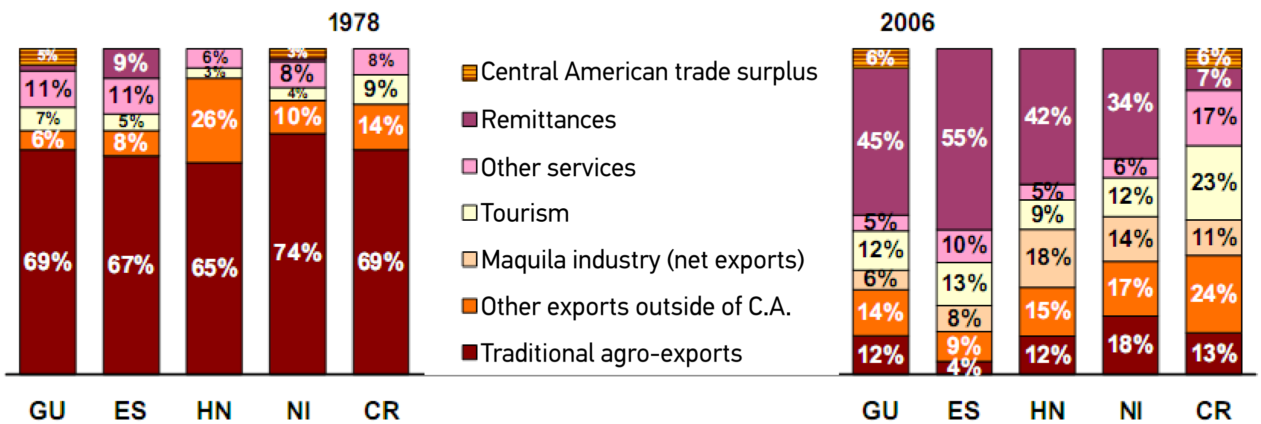
This economic transformation has had profound implications for the territory and for population mobility within and beyond Central America. Intensive development of each of these sectors has concentrated in particular areas, displacing other activities and moving workers with certain characteristics from one place to another, according to their specific needs. This has reconfigured population settlement patterns in the region. Coastal areas, for example, traditionally have had little economic value and have been sparsely populated. But with tourism, these areas are now seeing a surge in land prices and a massive influx of new occupants, both construction and tourism workers and new residents. In turn, part of the local population is experiencing greater difficulties in carrying out traditional activities such as small-scale fishing, or in gaining access to beaches.

Furthermore, a development model with these characteristics cannot be understood without taking into account the profound transformation of the agrarian sector, marked by the crisis in the rural economy, focused on producing food for local and national markets. This crisis is due to the progressive fall in international prices for certain food products, deregulation and exposure of local markets, invasion of their markets by subsidized foreign products, and growing control by large supermarket chains, in particular Wal-Mart. Part of the workforce "evicted" from the rural area is now feeding the maquila industry, construction industry, intensive industrial agriculture, and tourism services. Workers who are not taken up by these new activities either try to survive by remaining in the rural area or live badly in the suburbs of large urban areas.

However, this type of specialization in tourism in certain geographical areas in the region shares many of the characteristics of the traditional agro-export model. On the one hand, economic development is essentially controlled from abroad (although several large regional enterprise groups are acquiring greater control). This has meant that most of the earnings in the tourism value chain are concentrated in transnational corporations based in wealthy countries, leaving in local hands activities with lower profit margins, linked to tourism services at the destination site. The displacement of agro-exports by tourism has

"A development model with these characteristics cannot be understood without taking into account the profound transformation of the agrarian sector, marked by the crisis in the rural economy"

Central America: Profiles of Foreign Exchange Sources, 1978 and 2006

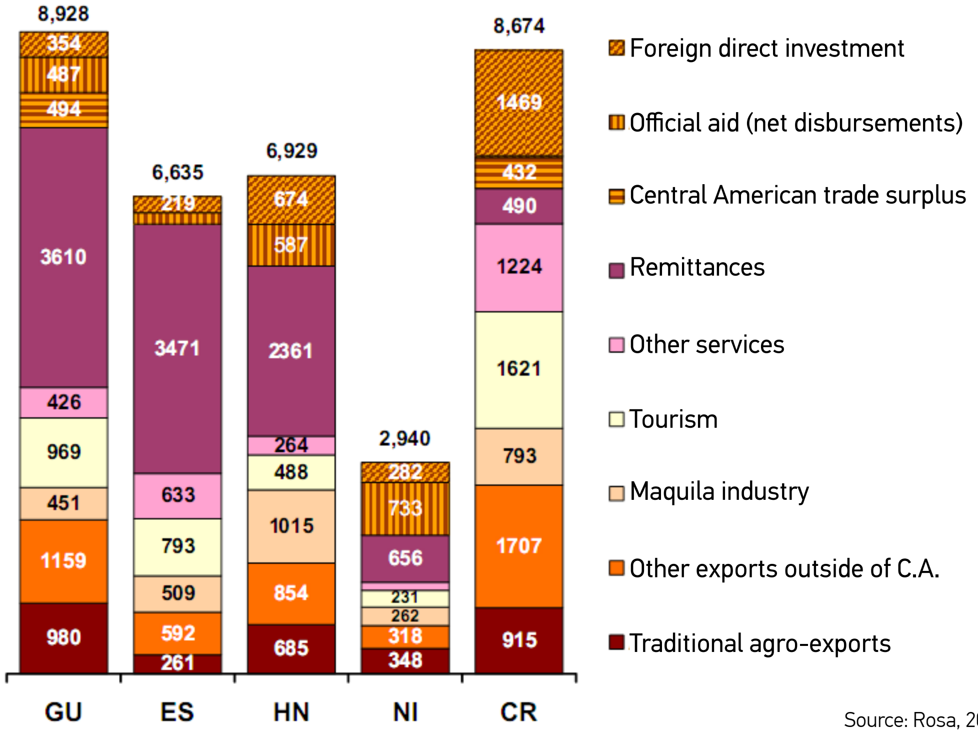


Source: Rosa, 2008

not changed the essence of the peripheral position of the Central American economy. The similarities between these economic-territorial specialization models do not end here. Both also involve a dynamic cycle of production. These cycles follow the same pattern: 1) the activity begins (agriculture or tourism); 2) it displaces prior activities and part of the population; 3) until it uses up and degrades the resources and territory that enabled its activity to function; and 4) it moves on to other territories where it can continue to build up capital.

© Paul Hoekman

Central America: Foreign Exchange Revenues by Principal Sources, 2006



Source: Rosa, 2008

2. CHARACTERISTICS OF THE TOURISM MODEL

In the early 1990s, Central America's governments recognized tourism as a strategic sector and committed themselves to the "regional integration of tourism, to enable uniting our resources, resolve and efforts to project to the world the image and advantages of offering a unique regional tourist destination," in the *Declaration of Montelimar*, signed on 9 May 1996 at the 18th Summit Meeting of Central American Presidents held at the Hotel Barceló-Montelimar, Nicaragua. This provided them with an impetus for intraregional promotion; marketing of tourism packages; the development of laws, policies and incentives for foreign investment; and cooperation with the private sector (Gómez, 2008).

Even though there have been political changes in some of the region's governments, they have not translated into any kind of in-depth reorientation of tourism policies. With greater or lesser intensity, a predominance of policies aimed at attracting foreign investors and tourists continues. In fact, there is a significant disparity between the high volume of domestic, Central American, and even expatriate tourists and the insubstantial effects of public policies focused on serving this segment (PRISMA, 2009). Up until now, public policy on tourism has not given sufficient priority to proximity and potential in endogenous development. However, in recent years, several policies to recognize and enhance the value of rural tourism, and to an extent community tourism, have been developed, primarily in Costa Rica and Nicaragua. These could form the basis for a change in model.

Partly as a consequence of the political instability and violence in the region in the 1980s, tourism developed in Central America more slowly than in the nearby regions of the Caribbean and southern Mexico. It was not until the late 1990s that the area began to grow robustly as a whole, although Costa Rica and Panama did begin to take off earlier. Even though this growth has occurred across the region, there are still enormous differences in the tourism structures of each of the countries. In general, these structures have developed under the leadership and strategic dominance of big business—foreign at first, although later on regional businesses got involved. In some places, the main tourism services are provided by small and medium size companies owned by foreigners living in the area, often competing in different ways with local entrepreneurs. Even so, there is also a broad network of local small and medium size businesses and community initiatives that have been a strong factor for development. Examples such as La Fortuna (Costa Rica), Catarina (Nicaragua), the Peace Route in Morazán (El Salvador), and dozens of community initiatives show the potential in a different tourism development model—one that is less concentrated or dependent on big business, and that ensures greater redistribution of wealth, reducing poverty and social inequality (Román, 2006).

Tourism has evolved in Central America in a way that has resulted in a diversified business structure and the coexistence of various types of tourism development, which some authors have classified into three distinct models: a) a "segregated" model, run by large transnational corporations; b) a "relative integration" model, which partially takes into account local people and business initiatives; and c) an "integrated" model, managed by small businesses, where family and community interests predominate (Cordero, 2006: 73-76). From our perspective and contrary to the theoretical currents behind "pro-poor tourism" and its implementation through diverse cooperation initiatives, as big-business-led tourism development expands its radius of action and increases its inroads into the terrain, the coexistence among these distinct tourism models is becoming more problematic. The hegemony of big business is reducing business opportunities for local and community small and medium enterprises, and is closing off opportunities for the development of an endogenously based tourism model.

Apoyo Lagoon, Nicaragua © Alvaro Lenin

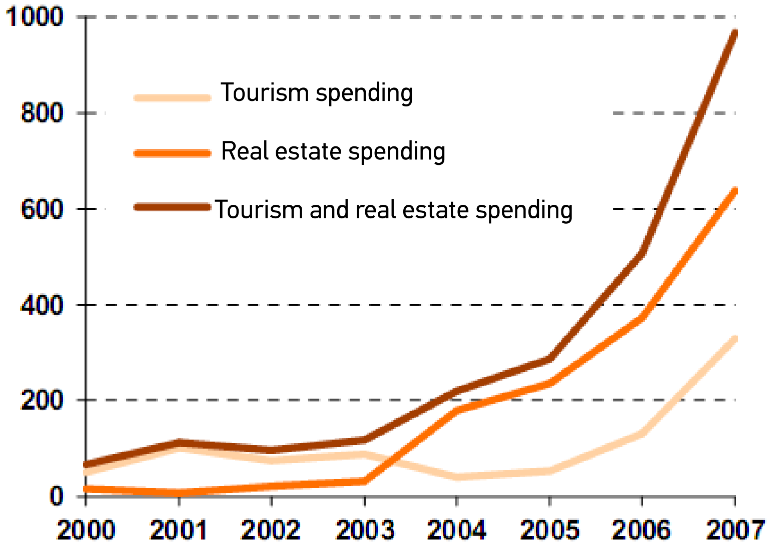
3. GROWING *RESIDENTIALIZATION* OF TOURISM

The tourism services in Central America in which the most money is invested are primarily located along the coasts, in colonial cities, and in some natural, archeological, and cultural heritage destinations. A notable network of colonial cities connects southern Mexico, from Oaxaca, Puebla and San Cristóbal de las Casas, and all of Central America, through Antigua, Comayagua, Suchitoto, León, and Granada, to mention the principal ones. Many of these cities have received significant public funding (primarily from international cooperation assistance) that has made it feasible for new private investors to move in. In some cases, such as El Salvador, convention and business tourism has been developed, tied to large international hotel chains. The growing number of cruise ship arrivals on the Pacific coast is another type of tourism development that is occurring in the region.

However, the bulk of tourism investments in recent years have concentrated on "sun and sand" tourism activities on seacoasts and lake shores. This began with investment by transnational hotel chains that used an "all-inclusive" model and different individual ventures involving hotel-residential complexes. Although these models have not entirely disappeared, the type of investment that has lately been in the forefront, following the pattern of the tourism industry internationally (CEPAL, 2008), is large, integrated ventures spread over large privatized expanses that provide hotels, real estate complexes, and multiple entertainment services (golf courses, marinas, health services and relaxation) in heavily guarded, exclusive settings. The characteristics of this tourism-residential model coincide with what Antonio Aledo, in the case of Spain, calls the New Residential Tourism, whose objective is to develop "a privatized, autonomous residential leisure unit independent from the territory in which it is installed; a new tourist bubble that adapts the concept of the all-inclusive hotel to residential tourism" (Aledo, 2008: 107-108).

These changes are also a reflection of the profound transformation that has occurred in the tourism industry in the past few years. Transnational hotel chains (that together with airlines and tourism operators are the sector's big businesses) are increasingly concentrating on the management and administration of hotels that, although bearing their brand name,

Costa Rica: Foreign Tourism and Real Estate Investment, 2000-2007* (US$ millions)



* 2007 figures are estimates

Source: Banco Central. Foreign direct investment in Costa Rica 2007-2008. Grupo interinstitucional de inversión extranjera directa. February, 2008. (Rosa, 2008).

Costa Rica: Foreign Real Estate Spending by Province, 2004-2007* (US$ millions)

	2004	2005	2006	2007*	Subtotal 2004-2007	
Guanacaste	64.4	82.8	131.5	127.4	406.1	29%
Puntarenas	39.8	56.6	90.8	214.4	401.6	29%
San José	37	37.8	45.5	89.3	209.6	15%
Alajuela	13.5	15.7	45.9	103.1	178.2	13%
Heredia	13.3	17.2	23.8	18.6	72.9	5%
Cartago	5	9.6	10.9	15.6	41.1	3%
Limón	3.5	4.9	15.6	51.7	75.7	5%
Total	**176.5**	**224.6**	**364**	**620.1**	**1385.2**	**100%**

* Estimate

Source: Banco Central. Foreign direct investment in Costa Rica 2007-2008. Grupo interinstitucional de inversión extranjera directa. February, 2008. (Rosa, 2008).

they do not necessarily own. Management contracts are being used as part of a growing trend to separate the ownership of hotels' land, buildings and infrastructure from their management. This model allows corporations with a known position and image to export their brand by managing hotels that they do not need to buy. In this way, they can expand the number of hotels operating under their brand name without the need to invest in ownership of the properties, and without having their assets depreciate significantly. As a result of the development of new management modalities, hotel chains are establishing different mechanisms for the control of hotel operations (strategic alliances, franchises, management contracts, leases) (Buades, 2006: 50-58; Jiménez, 2008 and 2009). Furthermore, access to different kinds of funding, such as real estate investment trusts (REIT), has enabled the large chains to take off as international agents of globalization. This is giving growing influence to the real estate and construction corporations and financial institutions in the sector.

The boom in different modalities of residential tourism in coastal municipalities of PANAMA, Costa Rica, Nicaragua, and, more recently, El Salvador has been particularly striking in this whole process of tourism expansion in Central America. In Costa Rica, tourism-residential investment in Guanacaste and Puntarenas provinces on the Pacific coast rose sharply following 2003, when the volume of real estate investment overtook tourism expenditures. It grew to massive proportions until the saturation point was reached and environmental problems in certain areas became exacerbated (Román, 2007).

As in other countries where this model has been used intensively (Spain, Mexico, and the Dominican Republic), its principal activity, more than tourist attractions and the sale of services, has been "to produce urban land, build houses, and sell them" (Aledo, 2008). In fact, many municipalities on the Pacific coast have been the site of the rapid creation of subdivisions and developable land, which has permitted the construction of private lodging to be used as second homes under different management models. Speculation on the price of the land is at the base of this business.

One of the idiosyncrasies of the development of residential tourism in Central America in contrast to other mature tourist destinations is that it began without the previous existence of interconnected mass tourism development or a more advanced services and facilities structure. This has led to the opinion that the region is experiencing a certain "overlapping of stages" or "the early arrival of residential tourism" (Román, 2008). Similarly in Spain, especially along the Mediterranean coast and in particular Costa Blanca, many areas moved directly from agrarian usage to developable land, building interconnected urban corridors. However, in Central America, the dimension of this transition seems to be producing a greater impact, in view of the weakness of the local tourism business class and the virtual lack of a solid hotel trade beforehand. The flurry of tourist activity seems to be dwindling much earlier in Central America than in Spain and Mexico, for example, which limits the positive economic impact that this line of business could have for job creation, distribution of revenues, stimulation of the local economy, etc.

Despite intense construction activity in some of the region's municipalities, especially in Costa Rica and PANAMA, another characteristic of this type of activity is that it is often limited to speculative operations. For example, according to data provided by Raúl Calvet, president of the Calvet & Associates investment firm, in Nicaragua there are currently "2,000 units on the market among all residential tourism development projects with no more than 6% built," which shows that thus far speculation has taken priority over real estate development per se (*El Observador Económico*, 18 Dec. 2009). This does not appear to be an isolated phenomenon. Research being done by Antonio Aledo in northeast Brazil is showing that, similar to areas of Central America, the ultimate objective of this new phase of residential tourism is no longer the building and sale of homes, but rather the pure speculation of land, the value of which is increased by different processes that require minimal investments: acquisition of certain building permits, building some infrastructure, and, above all, advertising.

4. WHAT MADE TOURISM GROWTH POSSIBLE?

The impetus behind Central America's tourism model involves several interrelated motives in addition to the abovementioned interest of the region's governments to attract foreign investment capital. The dynamics of the late-stage capitalist economy and Central America's geostrategic location are key factors.

The main reason transnational companies decide to invest in Central America has to do with their search for favorable conditions to maximize profits. They prefer "institutional settings with a minimum of tax, social or environmental demands; that is, deregulatory frameworks" (Blàzquez, Cañada, Gascón, 2009). Furthermore, the region's countries are competing to improve what they euphemistically call their "climate of competitiveness," which really means offering "less demanding institutional settings: with a pollutable environment; over-exploitable natural resources; conveyable land, water and ecosystems; under-employable people; nationalization of infrastructure costs; and tax exemptions" (Blàzquez, *in press*).

In addition to these local conditions, the easing of restrictions on the trade in services through agreements for free access and equal treatment for tourism services internationally, included in the framework of the World Trade Organization's (WTO) General Agreement on Trade in Services (GATS) in 2000, was conducive to an institutional framework of security for foreign investment that facilitated this expansion internationally (Gascón, 2009), and therefore also in Central America.

In addition, as a result of the latter-day *financialization* of the capitalist economy before the 2008 international crisis, there was enormous capacity to mobilize capital in different parts of the world and in different sectors, among them, and particularly strikingly, tourism and construction. This process displaced government power to the benefit of large corporations, although alongside this, potent public interventionism has been maintained to deal with the failures caused by the speculative-financial dynamics inherent in this model. At first the speculative-financial economy concentrated its attention on information technology companies. Their collapse in the spring of 2000 made it shift to the mortgage-real estate economy, until that bubble burst in August 2007. During this period, construction of homes and urban megaprojects (infrastructure, facilities, tourism-residential complexes) was one of the primary routes for capital expansion and reproduction (Murray and Blàzquez, 2009). Central America did not escape this "urban tsunami" (Fernández Durán, 2006), although its expansion was arrested very early on, compared to other places, as a consequence of the crisis.

There have also been other routes for finding funding for the sector. Tourism and construction have quite directly benefited from the laundering of money from tax evasion and the criminal economy (drug trafficking, prostitution, gambling). Ill-gotten assets deposited in tax havens have provided the primary funding of not a few tourism-residential developments built in recent years in the region (Buades, 2006; Cañada, 2009; Pantojas, 2009). Furthermore, the region has had some capacity to raise local funds, which have then been reinvested seeking higher profits. One of the most notable cases is the sale of domestically-owned Salvadoran banks to foreign groups between 2005 and 2007, which put a large quantity of money into circulation to be invested in other activities (Baires, 2007).

Other determining factors in the development of this tourism model are related to Central America's geostrategic location and the need of capital to constantly reproduce itself. Key among these is the demand for second homes from baby-boomers[2] from the United States and Canada, who found that houses in Central America are cheaper than in their home countries, credit is easy, and travel time is relatively quick with flights from home under two to three hours. In addition, Central America is close to very active tourist destinations, such

2.- The baby boom refers to the extraordinary increase in the number of live births following World War II, between 1946 and 1964 in some countries, including the United States, Canada, Australia and the United Kingdom.

Caribbean Beach
© Stefan Kuipe

as the Caribbean (which, according to UNWTO, accounts for 2.2% of international tourist arrivals in the world, in addition to arrivals in the Mexican Caribbean, with its dynamic locations Cancún and the Maya Riviera, compared to 0.9% for Central America). From these already well-developed and increasingly large-scale platforms, capital is looking to reach out to other places in the region that offer more "novel" and "attractive" tourism services. This spatial and temporal development involves the constant construction of new enclaves, in a succession of tourism "peripheries" (Gormsen, 1997).

In many cases, the behavior of these tourist destinations follows a similar pattern, closely resembling Butler's (1980) thesis in his classic study on the Tourism Area Life Cycle (TALC). At the beginning, tourism "discovers" a determined territory that is relatively untouched from the perspective of the tourism industry and the first adventure, nature, cultural immersion, and discovery activities immediately begin, which then lead progressively to mass commercial exploitation. Later, the destination is scaled up, loses its novelty and begins to degrade. When it gets to this point, the location reconverts and reinvents itself or enters a phase of decadence. At the same time, capital begins to flee to other "undiscovered" destinations. In the case of Central America, its proximity to Mexico and the Caribbean and, on the isthmus, to PANAMA and Costa Rica (much more developed than the rest of the region and showing signs of saturation in certain areas), is fueling a similar pattern. Furthermore, its relative closeness to the United States and Canada facilitates its growth as a center for tourist attractions.

In short, what has been happening in Central America with tourism over the last few years has a lot to do with the logic of capitalism, which seeks to expand the places where capital can be invested and reproduced. This dynamic includes the constant need to extend urbanization throughout the world (Harvey, 2007). The growing urbanization of the Pacific coast of Central America is clearly part of this dynamic.

SALE OF BANKS IN EL SALVADOR

DOMESTIC BANK	BUYER	DATE OF PURCHASE	PRICE
Comercio	Scotiabank	May 2005	$ 6.4 million
Agrícola Comercial	Bancolombia	December 2006	$ 900 million
Cuscatlán	Citybank	December 2006	$ 1.5 billion
Salvadoreño	HSBC	July 2007	$ 190,7 million

5. ENTER THE CRISIS

The recent evolution of tourism in Central America has been affected by the international economic crisis. This crisis does not appear to be much different from other cyclical crises of capitalism, although in this case its magnitude has its origin in the convergence of multiple crises (food, financial, energy, and climate) that have compounded its impact. In the case of the tourism sector, there is a variety of evidence of a downturn in the volume of global activity. However, the level of impact is still difficult to assess, especially because the sector continues to be ignored for the most part. For the time being, the media do not report the news of corporations going bankrupt or closing (with the exception of the real estate sector, the base of residential tourism, and the most affected so far), although it does seem clear that changes are occurring in the sector.

In 2009, the World Tourism Organization (UNWTO) acknowledged that tourism had declined by 7.7% around the world for January and February, compared with the same months in 2008, a drop that had begun in the second half of 2008.[3] The 2% overall growth in tourism in 2008 "was due to the good results attained during the first months and is more a reflection of the situation before the collapse of the financial markets." Therefore, the UNWTO forecasted that for 2009, "the sharp decline in tourist arrivals would continue" (*Revista de la OMT*, Jan. 2009). Along the same lines, the UNWTO predicted that "2008 will clearly go into the history books as a year of turbulence and contrasts," because "the growth in international tourist arrivals has slowed drastically worldwide, under the influence of an extremely volatile and unfavorable global economy" (*UNWTO World Tourism Barometer*, Vol. 7, No. 1, Jan. 2009). This forecast was later confirmed: worldwide, international tourist arrivals declined by 7% and resulting receipts contracted in real terms by 9% to 10% in the first six months of 2009 (*UNWTO World Tourism Barometer*, Vol. 7, No. 3, Oct. 2009).

Although it does not seem that the impact in Central America has been as major as in other regions, there is growing evidence of a drop in tourism. Moreover, the dependence of the Central American economy on the U.S. economy has significantly limited its chances of recovery. In November 2009, the Central American Monetary Council (CAMC), made up of the presidents of the state banks of the region's countries, concluded during its meeting in San Salvador that improvement of the Central American economy continued to depend on progress made by the United States (*Notimex*, 21 Nov. 2009). Likewise, an International Monetary Fund (IMF) report released in October 2009 in Sao Paolo, Brazil, forecasted that the countries that were the most dependent on remittances and tourism, such as in Central America, would take longer to recover from the crisis because of their strong ties to the United States (*La Nación*, 26 Oct. 2009).

In the case of Costa Rica, the region's main tourist destination, this reduction in the number of tourists has been especially steep. According to Alberto López, Executive Director of the Costa Rican Tourism Chamber (CANATUR), there was a 12.55% decrease in the entry of tourists from January to March 2009 compared with the same quarter in 2008. This meant the arrival of 70,000 fewer tourists. The National Plan for the Sustainable Development of Tourism (2002-2012) projected a 6% increase for this year, "but the data available so far shows that the projection should be for negative growth of 12%, which, when added to the 6% that we should have grown, leaves a difference between projected and forecasted growth at the end of the year of close to -18%" (*Boletín CANATUR*, 16 April 2009). Finally, Costa Rica ended 2009 with a 9% reduction in foreign tourist entries, dropping from 2,045,000 in 2008 to 1,863,000. The airport in Liberia, Guanacaste was the most resistant to this decline (*La Nación*, 20 Dec. 2009).

Costa Rica's Tourism Chamber surveyed 52 hotels, airlines, tour agencies, and car rental agencies between 16 and 22 March 2009 and found that 42% of those polled had laid off staff to deal with the crisis, which hit travel agencies and hotels particularly hard (*Associated Press*, 26 March 2009).

3.- Press conference by Taleb Rifai, Acting Secretary General of the UNWTO, on 11 May 2009 in Madrid (Source: AFP).

© Paul Hoekman

As the year advanced, the magnitude of the crisis in the region became inescapable. According to Óscar Núñez, an AFP journalist:

> "The flow of tourists to Central America grew unevenly but significantly in the last five years. However, from January to July 2009, 5.9 million travelers came to the region, 600,000 fewer than in the same period in 2008, due primarily to the global financial crisis and the influenza A(H1N1) pandemic, not to mention the coup d'état in Honduras. This decrease in tourists was also felt in a considerable drop-off in foreign exchange in several countries: around 30% in El Salvador, 15-20% in Costa Rica, and 7.2% in Guatemala. Nicaragua is an exception, which not only maintained tourism activity, but official agencies are forecasting 30% growth in its tourism industry for 2009, from US$157.5 million to US$205.3 million. However, these official projections do not concur with local press reports on the critical situation facing vacation developments in several regions of the country from a lack of patrons, some of which are close to shutting their doors.[4] Figures on Honduras are only available for the first months of the year, but here, the political crisis unleashed by the coup d'état on 28 June is an additional factor beyond the general reasons for the downturn in tourism and has led to a deep depression in the sector" (*Caribbean News Digital*, 23 Nov. 2009).

4.- An example of this situation can be seen in the article "Tour operators closed 2009 with a 20% decline" (published in *La Prensa* on 6 Jan. 2010), in which Sandra Zamora, president of the Nicaraguan Tour Operators' Association (ANTUR), with a membership of 34 firms, said that their sales had fallen by 20%. This disparity with data collected by the Nicaraguan Tourism Institute (INTUR), showing an 8% increase in the number of tourists in 2009, is interpreted by considering that the increase is from "backpackers," who do not require "hotels, tour operators or restaurants." However, these contradictory figures require a more detailed explanation.

© Paul Hoekman

In addition to the reduction in foreign currency and tourists, there has been a significant drop in tourism-residential investment, in line with the international trend. Construction activity slowed significantly, with a 30% drop in applications for new building in the first quarter of 2009 compared with the same period in 2008, according to data from the Engineers and Architects Professional Federation (*El Financiero*, 14 March 2009). According to estimates from the Costa Rican Construction Chamber, construction expenditures in 2009 shrunk by 16%, particularly in the area of tourism-related building, "in reaction to the financial troubles in the United States, the origin of most of the money invested in real estate in Costa Rica" (*Caribbean News Digital*, 18 Nov. 2009).

Furthermore, during the first four months of 2009, the volume of hotel transactions fell US$1.9 billion internationally, reaching their lowest level since the first four months of 2002 (*Hotels – The Magazine of the Global Hotel Industry*, 5 May 2009). According to a report from Jones Lang LaSalle Hotels, hotel investment has dropped around the world (especially among the groups in the Middle East) and "for what remains of the year, investment volumes will continue to be insignificant, closing 2009 well below the volumes reported for 2008." According to the people who did the study, "it will be very difficult to get back up to 2007 levels, when in a single quarter, the first of the year, hotel investment was "8.6 billion" (*Hosteltur*, 6 May 2009). Along these same lines, a study done by the Lodging Industry Investment Council (LIIC), coordinated by Mike Cahill, said that hotel investment would continue to drop and that real estate values would continue falling. According to the same study, the vast majority of investors felt that business had not gone well and that goods acquired during 2006, 2007 and 2008 had lost value and that expected earnings did not meet prior expectations (*Hotels – The Magazine of the Global Hotel Industry*, 7 May 2009).

"Tourist behavior seems to be changing and adapting to the new crisis scenario: fewer tourists are coming, they are staying for a shorter time, and they are spending less"

This international trend has also been experienced in Central America, where land transactions and tourism and real estate spending have slowed. The presale model (via Internet) that was in widespread use two years ago has dropped out of sight. In fact, according to a report from the Economic Commission for Latin America and the Caribbean (ECLAC), "among the FDI [Foreign Direct Investment] areas most affected will be the real estate sector, in particular that related to tourism and construction of *second homes* for foreigners, (...) because of lower international demand, particularly from the United States" (CEPAL, 2009: 26). This is forcing developers to downsize, redesign and reconfigure their projects. In Nicaragua, according to Raúl Calvert, president of the Calvet & Associates investment firm, "residential tourism is very depressed, especially when comparing it to 2006 or 2007 levels. (...) Sales at almost all projects are at a minimum and some have not sold anything for six or seven months. (...) [Contract] closings have dropped almost 60%" (*El Observador Económico,* 18 Dec. 2009). In the case of Costa Rica, Foreign Trade Minister Marco Vinicio Ruiz announced in September 2009 a forecasted 30% reduction in FDI, saying that this would primarily affect the real estate and tourism sector (*Caribbean News Digital*, 21 Sept. 2009). But despite this shrinkage, activity has not come to a complete standstill.[5] In fact, at the end of the year, investment levels had not fallen as far as expected because several large-scale projects, among them several Pacific coast marinas, were already underway when the crisis hit (*El Financiero*, 18 Oct. 2009).

Tourist behavior seems to be changing and adapting to the new crisis scenario: fewer tourists are coming, they are staying for a shorter time, and they are spending less. According to a poll of North American tourists done in October 2008 by the Travel Industry Association (TIA) and Ypartnership, 76% would reserve a vacation package to save money and 75% would spend less overall. The study detailed the ways North Americans would save money: spend less on food and entertainment (73%), shorten their stay (67%), and use the Internet to shop around for better rates (58%) (*Hosteltur*, 10 Nov. 2008). Thus, price is becoming a big issue again (*UNWTO World Tourism Barometer*, Vol. 7, No. 1, Jan. 2009). Consumption data for foreign tourists in Costa Rica in 2009 clearly show this trend. Average spending per visitor went from US$1,040 in 10 days to US$855 in 9.5 days, according to the Costa Rican Tourism Institute (ICT), the National Tourism Chamber (CANATUR), and the Costa Rican Hotel Chamber (CCH) (*La Nación*, 26 Oct. 2009).

These changes are favoring the "all-inclusive" packages offered by the large hotel chains (*Newsweek*, International Edition, 2 May 2009), over small, local hotels. The reduction in extra expenses, such as handicraft purchases or eating out in restaurants, could be primarily affecting small and medium local entrepreneurs. An example of this is La Casona Handicrafts Market, in downtown San José, Costa Rica, which has seen a sharp drop-off in buying by foreign tourists (*La Nación*, 26 Oct. 2009).

5.- We continue to use the example of Costa Rica. According to CANATUR, the following new ventures were announced between January and April 2009: Cadena Fashion Hotels (Austrian) announced construction of two hotels (in Talamanca and Manuel Antonio Quipos) with an investment of US$25 million; DayStar Properties announced construction of a group of condominiums at Jacó Beach Cantón Garabito, Puntarenas; Wyndham Hotels and Resorts is building the Jade Condo Hotel Residences & Beach Club; Arquidea Developers (Costa Rican) is building Puerto Azul, a US$165 million tourism complex on the grounds of the Hotel Colonial in Puntarenas; the Grupo Rica Costa (Costa Rican) is building the Wyndham Jacó Beach, a condominium-hotel at Jacó Beach, Garabito, Puntarenas; Intercontinental Hotels Group (United States) is building the Hotel Índigo Forum Costa Rica in Santa Ana, San José, with an investment of US$12 million.

6. INCREASING CORPORATE AMALGAMATION

The huge impact of the international economic crisis comes from the fact that the availability of capital that the sector has had in recent years past, tied specifically to speculative funds and tax havens, has declined significantly. The difficult economic situation and constraints on access to credit could bring many businesses to their knees. In relation to the depth and duration of the crisis, large corporations may benefit from the difficulties of mid-sized corporations, as the large ones are much better prepared to weather the crisis, thus strengthening an underlying trend toward corporate amalgamation (*Revista Hosteltur*, Jan. 2010). Along these lines, Simón Pedro Barceló, co-chairman of Grupo Barceló and strong man of one of the most internationally influential Spanish hotel chains, said in an April 2009 interview that they were not expecting any great changes in the sector as a consequence of the crisis, although they did foresee a drop in investments and that this would reinforce the process of concentration in the business: "the drop in tourism will cause greater concentration in the hotel sector; mid-sized companies with 15 to 20 hotels and one owner are going to have serious difficulties and will be forced to look toward the large chains, which will be the most attractive alternative because they ensure a greater distribution capacity" (*Expansión*, 14 April 2009).

The process of capital concentration and the strategic build-up of large transnational hotel corporations, seen in the trends in this and other sectors, could be important for the region. Bigger or internationalized businesses are going to have a greater capacity to move into or expand in Central America. Both the North American and Spanish hotel industries are very actively involved in processes of concentration and internationalization (Buades, 2006). In fact, "the main worldwide hotel chains are looking to Latin America as a profitable way out of the crisis in the European and U.S. economies" (*Hosteltur*, 3 Oct. 2008). Central America is not immune to this trend and is attracting hotel investments from "numerous big-name hotel chains" (*Hosteltur*, 2 Nov. 2009 and 16 June 2009).

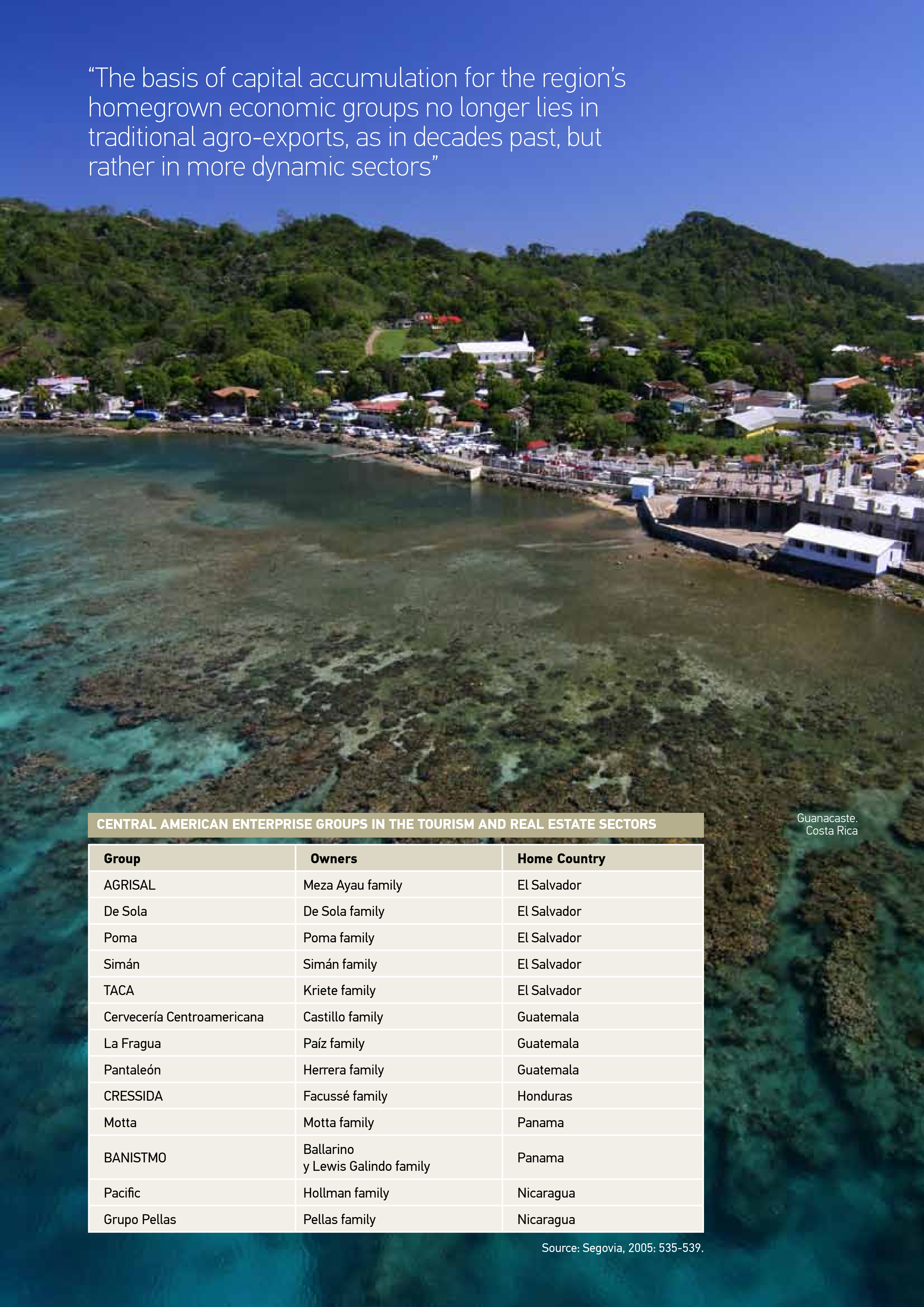
This direction is not exclusive to foreign capital. Central American capital, following a trend begun years ago, is also increasing its scope and regionalizing. This dynamic benefited from the regional integration process that began in the early 1990s. The basis of capital accumulation for the region's homegrown economic groups no longer lies in traditional agro-exports, as in decades past, but rather in more dynamic sectors (finance, transportation, export processing and other industries, tourism, construction, agribusiness, and trade) and they feel that their natural location for capital formation is the Central American market. Now, these groups are highly diversified and interrelated and are operating at the regional level (Segovia, 2005).

One of the most notable examples is that of Grupo Pellas in Nicaragua, a corporate conglomerate with business in banking, sugar, rum, ethanol, mass media, insurance, citrus orchards, health care, automobile dealerships, and recently tourism. Grupo Pellas, aware that "the financial crisis can be an opportunity," according to its website, has invested in the construction of three large tourism-residential projects in Nicaragua, Costa Rica and PANAMA, in alliance with other investors in the region. Its regional expansion strategy solidified with the creation in 2005 of Pellas Development Group (PDG), "a specialized unit focused on real estate investments and development ... across the Central American region in partnership with other leading [Central American] economic groups."[6]

This entrepreneurial strategy has also taken advantage of international cooperation assistance through a project funded by the Dutch embassy in Nicaragua and managed by the

6.- In Nicaragua, Grupo Pellas is developing the *Guacalito de la Isla* project in Tola municipality, a mega-resort that is expected to cost US$350 million over 10 years and that will include hotels, residences, and golf courses on 513 hectares and over six kilometers of beach. In Costa Rica, in partnership with the Durman and Gamier groups, it is developing *Santa Elena Preserve*, in Guanacaste, on approximately 1,500 hectares near the Nicaraguan border. The project contemplates building hotels and homes and is currently in its preparatory phase, with groundbreaking expected in 2011. In PANAMA, it is developing the *Santa María Golf and Country Club* project in PANAMA City, in partnership with the Motta and Vallarino groups, with 283 hectares of planned urban housing and golf courses. Source: http://pellasdevelopment.com/en

“The basis of capital accumulation for the region’s homegrown economic groups no longer lies in traditional agro-exports, as in decades past, but rather in more dynamic sectors”



Guanacaste. Costa Rica

CENTRAL AMERICAN ENTERPRISE GROUPS IN THE TOURISM AND REAL ESTATE SECTORS

Group	Owners	Home Country
AGRISAL	Meza Ayau family	El Salvador
De Sola	De Sola family	El Salvador
Poma	Poma family	El Salvador
Simán	Simán family	El Salvador
TACA	Kriete family	El Salvador
Cervecería Centroamericana	Castillo family	Guatemala
La Fragua	Paíz family	Guatemala
Pantaleón	Herrera family	Guatemala
CRESSIDA	Facussé family	Honduras
Motta	Motta family	Panama
BANISTMO	Ballarino y Lewis Galindo family	Panama
Pacific	Hollman family	Nicaragua
Grupo Pellas	Pellas family	Nicaragua

Source: Segovia, 2005: 535-539.

San Juan del Sur Beach, Nicaragua

Centro Empresarial Pellas, with technical assistance from the Netherlands Development Organization (SNV). This is a US$3.7 million project, of which US$3.25 million is from SNV, with the rest from Grupo Pellas. This intervention is aimed at the micro, small and medium enterprises (MSME) in one of the major areas of tourism development in Nicaragua—the San Juan del Sur, Granada y Ometepe triangle (*La Prensa*, 28 Nov. 2009). According to the local business owners in CANTUR in San Juan del Sur, as a result of the project, Grupo Pellas is strengthening its inroads into these tourist destinations, where it already has a presence, plans to, or wants to expand. It supplies itself with skilled labor, depending on its needs, supports enterprise initiatives that are allied with or that can serve to complement its services and, eventually, casts off other initiatives with which it is not interested in working.

This project is not an isolated incident, but is rather an example of a growing trend in which businesses attract cooperation funding with the "pretext" of strengthening local small and medium enterprises. A similar example can be found in the project "Management of a Tourist Destination in the North Cluster of the Cuatro Balam Area, in Petén, Guatemala," funded by the Inter-American Development Bank (IDB) and managed by the Foundation for the Development of Guatemala (FUNDESA), a foundation created by businesspeople from some of Guatemala's main firms. The project is planned to benefit over 300 micro, small and medium size service enterprises, with heavy involvement from community organizations.[7] In reality, initiatives with these characteristics are creating better conditions for the business of these large corporate groups, strategically optimizing their dominant position.

In summary, our hypothesis is that there is an underlying trend in the tourism industry at the international level that is moving toward amalgamation and the strengthening of strategically dominant positions by big business, which the crisis may be helping to step up. However, it is still too soon to definitively affirm this based on the available evidence. The current situation is still too contradictory. The crisis and the reduction in the pace of investment and in the market share of transnational capital in the region might be positive to the extent that it has reduced the pace of tourism-real estate investment and its occupation of the land and its natural resources. However, the expansion and worsening of the crisis could favor the process of corporate amalgamation and lead to a future scenario that is much more problematic for local small and medium entrepreneurs and, thereby, for the quality of democratic systems, taking into account the capacity of these corporations to impose themselves over the public authorities.

7.- Details on this project are available at the FUNDESA website: http://www.fundesa.org.gt/cms/

7. CONSEQUENCES OF THE TOURISM MODEL

The tourism model dominated by the interests of big business that is taking over in Central America, despite its slowdown in this last period, has led to serious consequences in different areas. The major ones are: 1) privatization and gentrification of land; 2) harm to the environment; 3) erosion of security in employment and living conditions for workers; 4) accentuation of the deterioration of democracy; and 5) growing competition among tourism development models. Let us look at these in detail:

a) Privatization and gentrification of land. Tourism development has concentrated geographically along the coasts, in some colonial cities, and, to a lesser extent, in certain natural areas. In the case of colonial cities, their conversion into an urban system of “tourist havens” has led to a trend toward gentrification and exclusion. Many of them have received considerable support from international cooperation agencies for the restoration and preservation of colonial architectural and cultural heritage, particularly from the Spanish cooperation agency. Appreciation in real estate values from improving the urban environment has sparked tourist-real estate investment that, in turn, has led to a concentration of homes and businesses in the hands of foreigners or domestic businesses, pushing the local population out to the periphery.

In the case of rural coastal areas, this pattern of exclusion, privatization and gentrification is even more intense, if that is possible. Tourism-residential development through megaprojects, along with all sorts of leisure services and activities and real estate projects, has been accompanied by strong pressure on land and water, which in many cases belong to peasants or indigenous people and/or are owned through different collective modalities. Speculative price dynamics have contributed to a shift in land ownership from local actors to investors. The spike in the price of land in the coastal municipality of Tola in Nicaragua, from US$300 per *manzana* (0.7 hectare) in the mid-1990s to US$280,000 at present, is a dramatic example of this new dynamic (Bonilla & Mortd, 2008). Furthermore, there is constant pressure from business owners wanting improved guarantees on their investments and the private use of public resources. Nicaragua’s *Coastal Law*, passed in June 2009, is an example of the lobbying power of big business contributing to the privatization of government property and the public domain.

The rush to buy up land for tourism-residential investment in Central America is connected to a dynamic of growing pressure for land that is occurring is different parts of Africa, Asia, Latin America and Eastern Europe. As a consequence of the increase in recent years in the prices of certain goods and services (agro-fuels, forestry resources, urbanization, mining and energy resources, and tourism), corporate capital (and some governmental areas) are becoming increasingly interested in the concentration of land and its direct exploitation (GRAIN, 2008; Merlet & Jamart, 2009). For rural inhabitants, this new cycle of corporate investment is bringing with it a serious threat of dispossession from the land.

This concentration of land ownership in the hands of tourism-residential investors has also entailed a significant transformation in the uses of the land, displacing the original population and traditional agricultural and fisheries activities, the principal livelihoods of local communities. Tourism-residential expansion increases the gentrification of space, favoring new residents with greater buying power, “who can gain ownership and use of the land and natural resources, while having nothing to do with or marginalizing the local population” (Blàzquez, Cañada, Gascón, 2009). As this process of the occupation of coastal lands advances, such as in areas of Guanacaste, Costa Rica, a new urban system starts forming that is exclusionary. One of the most sensitive issues is the access to potable water to supply these new residences, hotels, and golf courses. The shortage of water in many of these areas has sparked the interest of investors in bringing it in from elsewhere, to the detriment of the needs of the local population.

The process of privatization of the land and natural resources should be understood as part of the logic of “accumulation by dispossession” described by David Harvey (2004;

2007). Mindful of the dual character of capital accumulation, in purely capitalist forms of production, on the one hand, and in relationship to non-capitalist forms of production on the other, Harvey considers that these "primary accumulation" mechanisms described by Karl Marx are maintained throughout the entire history of capitalism and are the key to its spatial expansion around the entire globe. Among the mechanisms of accumulation by dispossession described (commodification of nature and common goods, privatization of public things, etc.), urbanization and *touristification* of broad swaths of coastal land work within a scheme of appropriation and privatization of resources and territories that still maintain their character as a "common good" to differing degrees and with different particularities.

b) Harm to the environment. The myth of tourism as the "industry without smokestacks" is totally false. The accelerated process of tourism development in Central America has entailed, as in other tourist destinations in other parts of the world, the destruction of mangrove forests and wetlands; water pollution; accumulation of solid waste; privatization of natural resources such as beaches and water; earth-moving and destruction of hills to create terraces; destruction and/or fragmentation of forests; *artificialization* of the landscape; pressure on and threats to natural reserves; and the accumulation of iron and cement.

The impact of tourism on the environment, in fact, increases the region's vulnerability to climate change. Central America and the Caribbean form the region with the second highest risk. According to GermanWatch, two Central American countries have been among the ten countries most vulnerable to climate change from 1990 to 2008: Honduras (3) and Nicaragua (8) (Buades, 2010).

c) Erosion of security in employment and living conditions for workers. Jobs created in construction and services linked to the new tourism-residential uses of the land have been

accompanied by the loss of jobs in traditional sectors, such as agriculture and fisheries. The conversion of agricultural lands into developable land has not always led to the construction of homes; in some areas, this is done purely for speculation. This means that this loss of sources of work has not necessarily led to jobs in construction. In those places where construction has taken place, the jobs it creates end once building is done. The lifecycle of this new type of activity is very short-term in contrast to agriculture, livestock or fisheries, which continue year after year.

Furthermore, these new kinds of jobs have particularly unstable working conditions: low wages; temporary work; contract insecurity; defenselessness of workers (anti-union campaigns, pro-employer unions, repression and coercion, etc.); reliance on undocumented immigrant workers; higher rates of occupational accidents (especially in construction); and concentration of local jobs at the lowest rungs on the labor scale (Iglesias, 2008). In addition, the jobs created in tourism services are highly feminized and reproduce discriminatory conditions for reasons of gender. The primary occupations of these women are related to a domestic role (cleaning, cooking, waiting tables, laundry, ironing, housekeeping, etc.) or, also as part of a stereotypical view of women's work, associated with serving the public (receptionists, salesladies) and administration (secretaries, cashiers). These occupations are generally at the bottom of the scale and are poorly paid (Torres, 2009: 24-27).

Likewise, living conditions for this working population are especially vulnerable and marked by poverty, unhealthy habitats, social breakdown (crime, alcohol and substance abuse, prostitution), an increased cost of living, the lack of adequate resources and facilities to meet the needs of the population, and uprootedness.

d) Accentuation of the deterioration of democracy. The growing impact of tourism has been accompanied by significant effects on the workings of the democratic system, limiting its quality. Policies to attract foreign investment redirect public expenditures to "improving the conditions for competitiveness," that is, favoring the arrival of capital, in competition with other countries of the region, investing in infrastructure improvements; tax facilities; personnel training; publicity and advertising; etc. In this way, private businesses are aided with public monies that could be allocated to other priorities that would meet the needs of the majority of the population. Furthermore, these business sectors pressure the public authorities, trying to get favorable treatment, which fuels corruption. Large-scale investors operate with an utter lack of transparency, while public authorities lack the capacity to provide legal oversight of their work.

The logic of capital's dynamic of "accumulation by dispossession" involves a form of policy-making in which the interests of a few prevail, who manage to impose themselves over the interests and needs of the majority, in this way limiting democracy. In the case of Spain, one of the main proponents of this model of tourist *residentialization*, the process of urbanization and *touristification* of the coastline has ended up in a trail of judicial scandals, arrests and jailed public authorities and businessmen, which are the tip of the iceberg of the long deterioration in the functioning of the democratic system in a large number of Spanish municipalities.

When the public authorities in a given country have the determination to control and regulate the activities of large tourism investments, different external factors make their job difficult. The vast majority of large hotel chains and real estate corporations have parallel domiciled companies in tax havens, which makes it almost impossible to trace their real accounts. Furthermore, the signing of the General Agreement on Trade in Services (GATS) in the World Trade Organization (WTO) created a regulatory framework skewed totally in favor of large transnational corporations (Equations, 2007).

e) Growing competition among tourism development models. The growth of the dominant tourism model reduces opportunities for other types of endogenous tourism development based on local small and medium entrepreneurs and community initiatives. The lobbying strength of big business limits the possibility of getting public funds reassigned to other purposes, which means these resources have a very limited, if not insignificant, impact. Along these same lines, big business is beginning to be a recipient of international cooperation funds, with the concomitant reduction in resources getting to local actors, based on the rationale of the new currents of thought about development based on "pro-poor tourism," "inclusive business," and "corporate social responsibility." Finally, it should be noted how the same dynamic of enterprise expansion involves the occupation of new geographical areas and tourist destinations, which is displacing local entrepreneurs from the places where they are beginning to position themselves on the tourism market. It is becoming increasing more evident how difficult it is for these two tourism models to coexist and how one is a growing threat to the other.

All these impacts are going to worsen to the extent that the development of tourism in Central America continues to be dominated by the current hegemonic model. There is a possibility, however, that in the medium term the expectations people have for this tourism-residential model might be cut short and that the model may not have the expected response from the market. This is a plausible scenario, taking into account the dimensions of the international economic crisis, particularly in the United States, and limitations on the availability of financing. But the growing competition among different destinations relatively close to Central America should also be considered, which are offering the same model of tourism-residential development: the Caribbean (especially the Dominican Republic), Mexico (Baja California and Quintana Roo), and Brazil (especially in the northeast). On top of this, there is the internal competition among different destinations inside the same region. If this model ends up failing, then the effects its preparatory process would have involved will have to be taken into account (eviction of local people, land speculation, preparation of land, construction, accumulation of waste, environmental degradation, etc.), and reversing the situation will obviously be difficult.

8. A NEW SETTING FOR CONFLICT

Tourism, just as any other profit-making activity, can become an area for social conflict. The different social sectors involved in this activity not only do not have the same interests, but often present opposing positions (Cañada & Gascón, 2006). The major role played by tourism in Central America has meant that it has serious social, environmental, economic, political and cultural impacts. As a result, tourism has opened the door on a new setting for conflict, associated with many causes, among which the following stand out: 1) conflicts over rural community resistance to being dispossessed of their natural and territorial resources; 2) conflicts from civil society's and local authorities' reactions to abuses and excesses of tourism-real estate development; 3) conflicts of interest among corporations over how to do business; 4) conflicts over the adaptation of the regulatory legal framework for tourism policy; and 5) conflicts from the reaction of workers to unstable working conditions. These are described in greater detail below.[8]

First: Conflicts over rural community resistance to being dispossessed of their natural and territorial resources.

Rural communities in certain areas have tried to resist or reduce the scale of the usurpation of natural resources (land and water, primarily, and to a lesser extent, even forests), and the displacement and gentrification of their territories, from processes of "accumulation by dispossession" (Harvey, 2004; Bellet, 2007; Smith, 2002). This dispossession occurs through multiple routes, ranging from speculation dynamics and buying and selling to expropriation. The problem is not limited to the loss of certain resources; rather, dispossession also involves a profound destructuring of the territoriality of rural communities and its replacement by a different logic of occupation and interconnections in the territory. This resistance can be seen as part of the concept of "environmental justice movements" (Martínez Alier, 2009).

Some of these conflicts are motivated by the intent of tourism-residential businesses to amass land where they can carry out their activities (or, sometimes, just to speculate with land values), and involve displacement of the local population. One example is the conflict between community organizations in Petén, Guatemala belonging to the Association of Petén Forest Communities (ACOFOP) that are forest concession holders, and **El Mirador tourism project,** in the Maya Biosphere Reserve, which U.S. archeologist Richard Hansen has been promoting since 2000. This project, which has had public and private support, is trying to turn the area into the largest tourist center in Guatemala, anchored by the vestiges of the Maya civilization in a site that is larger than Tikal, also in Petén. This project would involve undoing the communities' forest concessions, the livelihood of the local population, which so far has managed to resist and paralyze the project's initiation (Monterroso, 2006; 2007; 2010). Another is a conflict involving Garifuna organizations belonging to the Black Fraternal Organization of Honduras (OFRANEH) in the Bay of Tela, Atlántida Department, Honduras, over a public-private initiative with IDB support known as **Los Micos Beach Resort.** This project, which at present is in the phase of building and adapting basic facilities for the development, involves plans to build four hotels from large international chains (such as Hilton, which has already shown interest), 256 residential villas, an 18-hole golf course, an equestrian club, a marina, and a shopping center. The implementation of this project has serious environmental repercussions, especially on wetlands, the livelihood of many Garifuna community residents in the area, and on coastal and marine ecosystems. Its implementation is threatening the livelihoods and the territorial and cultural integrity of the Garifuna population, and involves their displacement from the region where they have traditionally lived (Viehweider, 2007).

8.- The description of conflicts presented here does not pretend to be exhaustive. They are presented to help illustrate a proposed typology of conflicts that are brewing in Central America due to tourism-residential expansion. A more detailed analysis of these conflicts is the subject of another paper that is in preparation.

Many of the conflicts on the **coast in Tola municipality**, Rivas Department, Nicaragua are along these same lines. The region has suffered from widespread speculation on the value of land, in a context of enormous uncertainty and insecurity over property titles. Peasant cooperatives and indigenous communities have staged multiple land takeovers in reaction to attempts to displace them (Bonilla & Mortd, 2008; 2010). The same threat is hanging over Salvadoran peasants who have been living for over 40 years along the coastline in **Boca Poza**, La Libertad Department. The company Legal Consul, representing the Guirola family, one of the 14 wealthiest and historically influential in El Salvador, says it has the title deeds to this land and is trying to evict the peasant families living there.[9] Los Pinos Cooperative, on the shores of **Coatepeque Lake**, Santa Ana Department, El Salvador was less fortunate. Created during an agrarian reform, this coffee growing cooperative had land along the shore of a lake that traditionally has been the site of second homes for the country's affluent. Despite having the corresponding title deeds for the farm, in 2008 a real estate company used part of the land to expand construction of a new residential complex.[10]

This is also the case of the struggle by the residents of the **Gulf of Nicoya islands**, including Chira, Venada and Caballo, in Costa Rica. Since 2006, the local people, mainly fisherfolk, have had to deal with threats of eviction from public authorities and investors who want to privatize lands that the Maritime Zone Law sets aside as government property. This conflict relates to a systematic policy in numerous municipalities to evict and displace coastal communities to benefit tourism investment, and has led to the formation of a "National Front of Coastal Communities Threatened by Extermination Policies and Politicians." Over 20 coastal communities belong to this coalition fighting to defend their territories and livelihoods, which is working for the passage of the Coastal Community Territories Law, still in debate. Another indication of this seriously conflictive situation is the pastoral letter, *The Church among the sea people*, dated 2 August 2009 from the bishops of the dioceses of San Isidro del General, Puntarenas and Tilarán-Liberia, which states that "our State institutions have prioritized tourism and real estate development over the communities that have traditionally lived on the coast. For this reason, we feel the obligation to offer a word of hope to those who have still made this ancient occupation the main sustenance of their families, despite the political, judicial, economic and social tide against them" (*Adital*, 6 August 2010).

9.- Information from the film report "Boca Poza: bajo la amenaza del desalojo," by Mariona Ortiz (Alba Sud, El Salvador, 2009, 12 minutes).

10.- Information from interviews with members of Los Pinos Cooperative during the making of the film report "Defender la tierra. La Reforma Agraria en El Salvador: una historia inacabada," by Mariona Ortiz (Alba Sud, El Salvador, 2009, 34 minutes).

Lake Petén Itzá, Guatemala

In addition to land, water is the other main resource that tourism-residential ventures have tried to monopolize. Control over water resources has become a fundamental source of conflict between rural communities and developers. One of the most paradigmatic cases was the response by over 15 communities in Lorena de Santa Cruz municipality, Guanacaste, Costa Rica to the attempt by **Hotel Meliá Conchal**, later Reserva Conchal, to take control of the Nimboyores River watershed, the main source of water in the area, to meet the needs of its facilities. The communities fought for over three years, aided by different social organizations and the Catholic Church, and in 2005 they got the project halted and it has not restarted. Also in Guanacaste, the **conflict over the water from El Sardinal aquifer** illustrates the strategic importance of controlling this resource. There, a group of entrepreneurs, with the government's support, tried to build a pipeline to carry water to their beachfront projects in Coco Beach and Hermosa Beach without complying with the law and against the wishes of the local residents. In January 2009, the Constitutional Chamber of the Supreme Court confirmed that the pipeline's construction would violate the rights of the local inhabitants. Conflicts over water in Costa Rica in late 2008 and early 2009 grew to such an extent that the United Nations sent a Human Rights Council mission, which issued a report (United Nations, 2009) calling on "the Government to take all appropriate measures to ensure the meaningful participation of affected communities in monitoring the implementation of the project, with a view to ensuring the sustainable management and use of the Sardinal aquifer."

In other cases, the origin of the conflict has not centered on developers' attempts to monopolize a given resource, but rather on the fact that the new tourism-residential developments could obstruct entry and access to places where the local population goes, whether for production or for leisure, such as beaches. This is the case of the protest in 2007 by the **Friends of the Sea Association in San Juan del Sur**, Rivas Department, Nicaragua. The Association was formed by farmers and fishers from different San Juan del Sur communities. Tired of the road closures that blocked their access to the beaches, they held several large protests in which people broke down the barriers that were stopping traffic and access to the beaches over traditional routes. The fact that the Association was supported by Gerardo Miranda, the Sandinista ex-mayor and ex-congressman who was the Nicaraguan consul in Liberia at the time and who was involved in several controversial episodes in national politics, sparked a public firestorm and the media accused the Association's members of doing Miranda's bidding and having other hidden interests, which diverted attention away from the problem around lack of access to the shoreline.

Bay of Tela,
Honduras
© Renata Avila.

Similar situations have occurred around the **Papagayo Gulf Tourism Project** in Guanacaste, Costa Rica. The project, covering approximately 1,000 hectares and 14 beaches, which were state-owned, was concessioned to several entrepreneurs to develop several businesses (although some of them have still done nothing after 10 years). Access to public beaches was closed off along the segments that had been developed, provoking several clashes and conflicts with people from nearby communities, and which was denounced on repeated occasions by the Confraternidad Guanacasteca, an ecological organization that is very active in the area.

More recently, and as one more example of the many we could cite, the same Confraternidad Guanacasteca complained in December 2009 that employees of **Hotel Riu in Matapalo Beach**, Carrillo municipality, try to close off access to the beach in response to the resistance of the residents of Nuevo Colón, the closest community. The problem with this type of obstruction to the coast for neighboring rural communities is that it breaks up the communities' territoriality, the space where they reproduce and develop collectively, and in this way accentuates the process of dispossession.

Up until now the main threats to rural community territories and natural resources have revolved around the coastal areas. However, the appreciation in value that could occur in forestlands in response to the establishment of environmental services tied to carbon markets and mechanisms for the Reduction of Emissions from Deforestation and Degradation of Forests (REDD) could present a new threat of dispossession for rural communities. Increasingly, the interests of certain private investors are centering on developing and operating ecotourism activities tied to environmental conservation. Natural reserve areas are currently one of the main types of territory in dispute.

Second: Conflicts from civil society's and local authorities' reactions to abuses and excesses of tourism-real estate development.

The dynamic of environmental degradation, corruption, and the erosion of democracy produced by the tourism and real estate industry has provoked reactions by citizens groups and social movements, and even some public figures, trying to halt or correct the abuses and illegalities committed.

Protest outside Hotel Riu, Guanacaste, Costa Rica

This type of confrontation is, logically, more frequent in places where the tourism-residential density is greater, although it would also tend to coincide with the presence of strong social organizations, capable of mobilization and advocacy. In Central America, Guanacaste is the area that best brings together both these characteristics. Here, the ecology organization Confraternidad Guanacasteca, a coalition of local committees and groups in Guanacaste province belonging to the Federation for Environmental Conservation (FECOM), has played a key role in speaking out publicly and in filing legal complaints against the many abuses and excesses of developers, and has given greater power to many rural community protests (Morera & Sandoval, 2010). Conflicts sparked by the dumping of sewage from the **Hotel Occidental Alegro Papagayo** and the **destruction of mangrove forest by Hotel Riu** are examples of emblematic cases. In both cases, Confraternidad Guanacasteca played an active role in providing information and in speaking out.

The first conflict occurred in January 2008 when the residents of El Gallo neighborhood in Liberia, accompanied by Confraternidad Guanacasteca and the Guanacaste Association to Defend the Maritime Zone complained that the Hotel Occidental Alegro Papagayo, located at Manzanillo Beach, was illegally dumping sewage, which was hauled in trucks that would dump it out along the road. The public scandal and pressure on the authorities was of such a magnitude that on 5 February 2008, the Costa Rican Ministry of Health ended up temporarily shuttering the hotel until it built a treatment plant. Stemming from this case and from the backlash in the mass media, in the ensuing months the Ministry of Health conducted an extensive campaign to monitor sewage disposal by hotels, especially in municipalities with high urban density, such as Tamarindo, in Guanacaste, and Jacó, in Puntarenas, although ecological groups rated it as insufficient.

Reaction to the loss of mangrove forest due to the construction of new tourism-residential projects is another cause being supported by social organizations. Among the many possible examples, once again, the protests that occurred during construction of the Hotel Riu in Matapalo Beach are worth mentioning. The destruction of a mangrove forest moved ecological groups to protest. A 30 October 2009 press release from the Confraternidad Guanacasteca stated:

"With deep anguish we are witnessing the arrival of a new evil depredator in Costa Rica. It is called Riu. Tomorrow it will open its monstrous 700-room hotel, with the blessing of the government and in particular of President Arias and his Peace with Nature project. In order to beautify Matapalo Beach, Distrito Sardinal, Cantón Carrillo, they cut down a mangrove forest. They made it vanish, filled in the land and planted little palm trees, in a protected area, certified by MINAET [Ministry of Environment, Energy and Telecommunications], with boundaries marked out by the IGN [Costa Rican National Geographic Institute], located in a coastal maritime zone that belongs to all of us. This is the kind of people who, even though they bring money, should not come to Costa Rica."

The increasing construction of marinas in Costa Rica, as residential tourism has expanded its presence along the coastline, has also caused alarm about the pollution and environmental degradation and social breakdown that can come with them. This is the case, for example, of the struggle by the people in Gulf of Dulce, on the Osa Peninsula, Costa Rica, in dealing with the construction of tourism marinas. Plans by the Marina Bahía Cocodrilo S.A. corporation to locate a marina in Puerto Jiménez in August 2006 set off a strong protest from several sectors: organized local residents (who were concerned about limits on beach access, the safe drinking water supply, and solid waste management); small-scale fisherfolk (who complained that the marina shut off their access to the sea); and small tourism business owners (who saw their businesses being threatened). The protest won a temporary ban on marina construction with an order from the Constitutional Chamber of the Supreme Court, but a latent threat still exists from this project and from others that are planned for the same area (Arias & Coronado, 2010).

One of the most outstanding cases of municipal intervention in Central America to control and regulate residential tourism development took place around the process to preserve and protect the **Apoyo Lagoon** natural area in Nicaragua. In 2006, several lake municipalities (Catarina, Diriá, Diriomo, Granada, Masaya and San Juan de Oriente) formed the Association of Integrated Municipalities for the Apoyo Lagoon Watershed and Territories of Nicaragua (AMICTLAN), for the objective of strengthening its protection. Pressure to urbanize and build developments of second homes on Apoyo Lagoon lands sparked several conflicts, including those against Norome Park Resort & Villas, Los Congos Ecotourism Project, and Club Vista Lagos. Despite the different outcomes (the project was halted in the Los Congos case, but not in the others), the movement in favor of locally-based tourism and the attempt to halt *residentialization* show the possibilities for municipal action when it is clear that a different tourism model can be developed (Gallegos, et al., 2010).

One of the most talked-about cases of public intervention in recent years is the Nicaraguan government's lawsuit against Grupo Barceló for non-fulfillment of agreements resulting from the acquisition of the **Montelimar Hotel**. In 1993, the Nicaraguan government approved the privatization of the Montelimar Hotel, the old residence of the dictator Anastasio Somoza, converted into a tourist attraction during the Sandinista Revolution in the 1980s, by Grupo Barceló under conditions quite favorable to the Balearic Island (Spain) company. The company purchased the hotel at a price well below its market value and tax appraisal value with the commitment to invest in it and to pay another amount of money at the end of a period of time if a certain occupancy level were surpassed. According to the company, this stipulated percentage was never reached. However, the new Sandinista government, which returned to power in 2009, questioned the privatization process and claimed ownership. Following a long process of negotiations, which were never made public, in June 2009 both parties came to an agreement of understanding, which absolved Grupo Barceló of any wrongdoing and the lawsuit was dismissed. As part of the agreement, it was decided to open an international airport on the grounds of the Hotel, a public-private partnership in which the government holds the controlling share. Despite such an astonishing outcome, the case could have set a precedent of public control over this type of transnational venture. In the end, for reasons that have not been made public, these expectations were frustrated.

Third: Conflicts of interest among corporations over how to do business.

The expansion of tourism has sparked clashing interests among different business groups competing for the same territory, its resources and business opportunities. These conflicts

Protesters on Dolphin Beach, Cancún

have involved, on occasion, local small and medium enterprises that try to resist the competition from larger-scale businesses.

One type of conflict is found in the presumed threat from residential tourism developments where the local and foreign hotel industry has managed to develop to a certain level, though not necessarily of a large size. Residential developments reduce local business opportunities and are seen as a risk to these entrepreneurs. One of these cases involved objections from 2006 to 2009 in **Bocas de Toro archipelago** in PANAMA to attempts to develop several residential complexes in the area, especially the Red Frog Beach Club and Sunset Point initiatives. In managing the conflict, the mayor of Bocas de Toro, Eligio Bins, and the Alianza Bocas Consortium, made up of local organizations and leaders, played an important role. The main focus of their intervention was the development and adoption of a Land Use Plan that would help to "obtain a regulatory instrument that would enable the municipality to have legal criteria and backing to organize or to stop, if necessary, real estate development activities in the area" (Gómez, Kandel, Morán, 2009: 18). The major role played by local business owners and the characteristics of the protest made it clear that the core of the conflict was strongly motivated by a desire to preserve the structure of the tourism industry that had grown up in the area against the risks of converting it into an eminently residential destination.

The hotel sector in Costa Rica shares these types of concerns regarding the *residentialization* of the coastline. In April 2008, Alberto Salas presented a study commissioned by the **Costa Rican Hotel Chamber** (Salas, 2008). The study demonstrates that the strong growth in real estate in Guanacaste was threatening to bring this province to collapse because of the inability to provide basic services, such as water and electricity, to its population. In his presentation, Salas judged that the image of Costa Rica as a natural, ecological tourist paradise was now being questioned and that it was moving toward a much more urbanized tourism model. In turn, "the president of the Costa Rican Hotel Chamber, Carlos Lachner, stated that local governments are receiving very little support from the central government even though more taxes are being collected due to the construction boom. 'It is worrisome that only 12% are hotel rooms; we do not think that residential developments are the most appropriate for Guanacaste; because of their characteristics, there is going to be an impact on the environment and on water resources,' Lachner said" (*Prensa Libre*, 30 April 2008).

“The growing conflicts of interest between local small and medium enterprises and big business are becoming an important factor for conflict among these stakeholders”

The intention of the Costa Rican Hotel Chamber with a study of this sort, stressing the risks of residential growth, appears evident.

Another recent conflict between local business people and large developers happened in the waning months of 2009 in San Juan del Sur. The beginning of implementation, in September 2009, of the abovementioned project, “Development of Tourism in Southeast Nicaragua: Southern Triangle Route,” implemented by the Centro Empresarial Pellas with support from the Dutch Embassy and the Netherlands Development Organization (SNV) in Granada, Ometepe and San Juan del Sur, was the cause of several manifestations of displeasure from the Tourism Committee in San Juan del Sur. The San Juan del Sur Tourism Chamber (CANTUR), made up primarily of local small and medium businesses from the municipality complained that they had been used by the Centro Empresarial Pellas to obtain cooperation funds, which were supposed to be given to local tourism micro-enterprises, and that afterwards the Pellas Center did not allow CANTUR to make decisions about the content of the project. CANTUR then stated that “a development project in which its primary stakeholders do not participate is a futile project” (*Statement by CANTUR, San Juan del Sur,* 28 August 2009).

The growing conflicts of interest between local small and medium enterprises and big business are becoming an important factor for conflict among these stakeholders.

Fourth: Conflicts over reform of the regulatory legal framework for tourism policy.

The consolidation of a tourism model under the leadership of big business, as we have described, has required a process of legislative and policy reform favorable to these groups. Government commitment to developing tourism in the region, set forth in the *Declaration of Montelimar* (1996), was the starting point for a series of legislative and policy modifications that, depending on the case, have triggered a greater or lesser response and resistance from different interest groups during the debate and procedural process. Again, without pretending to be exhaustive, we point out some examples that show the need for a reinterpretation of part of Central America’s recent judicial history to see it as a process of accommodation to the interests of large-scale tourism-residential developments.

In 1997, Costa Rica passed the *Law on Concessions and Operation of Tourism Marinas*, which regulates a growing activity on Costa Rica’s Pacific coast. However, pressure from the business sector led ten years later to the introduction of a proposed amendment to ease procedures and to give investors greater guarantees. In September 2008, the Legislative Assembly passed the proposed amendments, but because of a ruling from the Constitutional Court that said that the Law was not consistent with the obligation of the State to protect the environment, its entry into force was put on hold until the introduction of several changes that had to be discussed in a Legislative Assembly committee (Arias & Coronado, 2010).

In Nicaragua, following the electoral defeat of the Sandinista Front in 1990, the liberal governments that followed established a tax system that was one of the most favorable to foreign investors. In June 1999, the *Law of Tourism Investment Incentives*, or Law 306, was passed, considered one of the most generous in Central America, because it allowed broad tax exemptions for different aspects of the process of building and operating a tourism business. Even so, years later, the administration of Enrique Bolaños sponsored the proposed *Special Law for the Creation of Tourism Incentive Bonds* (BIT Law), which would have permitted

financing up to 70% of the investment made once the project was operational based on the taxes that would have been collected. The proposed law, which in the end did not pass, was categorized by Francisco Baez, one of most highly esteemed tax law experts in Nicaragua, as "pillaging" the likes of which had not been tried in any part of the world.[11] A taste of the pressure applied by large hotel chains in favor of the passage of the BIT Law can be seen in statements made in July 2006 by Juan Carlos Pereira, executive director of the investment promotion firm ProNicaragua, regarding pending tourism investments: "just how fast the Marriott chain starts its development will depend on the passage of the Law on Tourism Incentive Bonds" (*La Prensa,* 7 July 2006).

Also in Nicaragua, the path taken by the *Coastal Law*, from its filing in the National Assembly in October 2005 until its final passage in June 2009, was long and convoluted. In the end, the law ended up being beneficial to tourism-residential interests. It provides judicial security for investments, holding, use and enjoyment, usufruct, and real estate transactions and trade regarding coastal properties. It established that public use reaches 50 meters inland from the mean high tide line, greater than the 30 meters that representatives of the enterprise sector had been seeking; in the case of natural lakes and crater lakes, the distance is only 5 meters. This involves privatization of the property and public domain that the government had over a 2 kilometer-wide band in coastal areas, reducing it to 50 meters, and from 800 meters to 5 meters for lakes and lagoons, with the consequent loss of government property. It also establishes that, regardless of the limit, municipalities may not authorize construction or permit itinerant vendors to set up shop in front of private hotels and businesses (*Capitales*, 12 June 2009).

On occasion, bills of law based on the interests of community sectors have been proposed as a way to deal with the dispossession they are facing. This is the case with the *Proposed*

11.- Quote taken from the documentary *Sol y Sombras* (Fundación Luciérnaga, Managua, 2008, Award for Best Report from the XI Festival Ícaro 2008), produced by Joaquín Zúniga, with research and production by Ernest Cañada.

Coastal Communal Lands Law, filed in the Legislative Assembly of Costa Rica in June 2009. The proposal was adopted by the National Front of Coastal Communities Threatened by Extermination Policies and Politicians as the "only viable option that we, the coastal communities, have to continue to exist," because "due to the neoliberal politics of this government, entire communities are being evicted and demolished, to turn our coasts over to tourism megaprojects and to drug traffickers' hideouts" (*Informa-Tico*, 20 January 2010).

Fifth: Conflicts from the reaction of workers to unstable working conditions.

Poor working and living conditions for workers in the tourism industry have been the cause of several labor conflicts. This is especially true in the construction sector, which has systematically relied on immigrant workers, many of whom are undocumented and live in extremely unhealthy conditions. However, the primarily non-union workforce and the weakness of the existing unions have hampered workers' protests, limiting conflicts to levels that do not correspond to the seriousness of the problems identified. A 2008 study by Enildo Iglesias, ex-Secretary General of Rel-UITA (Latin American Secretariat of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations), on unionization in Spanish-owned hotel chains showed that Central America is one of the regions with the lowest levels of unionization in Latin America and the Caribbean. Of 12 Spanish hotel chains in Costa Rica, none has a union, and the same holds true for Nicaragua (0 of 2) and PANAMA (0 of 1) (Iglesias, 2008: 58).

In addition to the manifest hostility of the industry to the presence of unions in its hotels, the union movement's difficulties in responding to problems are also linked to profound changes in the structure of the tourism sector. These transformations were the subject of an analysis in a Latin American workshop organized by Rel-UITA in September 2008. Union people from around Latin America met in Buenos Aires where they discussed how changes in hotel management modalities were obstructing union action (Cañada, 2008). The growing separation between hotel ownership and management is one of the most worrisome trends. This situation understandably bogs down channels of interlocution for union representatives and serves as a shield behind which large corporations hide in order to dodge responsibility for any problem or conflict arising in one of their hotels. Outsourcing in the hotel industry is another factor that was identified. With increasing frequency, hotel companies are subcontracting part of their personnel from other companies. They contract with third parties for services such as security and cleaning. This strategy divides the workers in a hotel and places them under different contractual conditions, while also watering down the liability of the corporation.

In addition to these changes limiting the capacity for the union movement to act, the widespread poverty in the area compels workers to put all their efforts into just getting by. This set of factors helps in understanding the weak manifestations of social and labor conflict in contrast to other areas where greater conflict is seen.

One of the cases that received the most media coverage was the protest by the workers building the **Riu Hotel in Matapalo Beach** in Guanacaste, Costa Rica. In November 2008, Rafael Antonio Pérez, one of the approximately 1,500 construction workers, died from intoxication. He was 26 years old and from Nicaragua, as were most of his coworkers. Over 300 of them fell ill, suffering from "vomiting, diarrhea and respiratory problems" (*La Nación*, 16 Nov. 2008). They all lived in an unhealthful camp. The lack of a response to the workers sparked several incidents, including the burning of one of the buses that took them to work. The Ministry of Health temporarily shut down the construction site, but eventually, in October 2009, the hotel opened its doors.

Boca Poza, El Salvador

9. CONCLUSION

Even though the impact of the tourism industry is becoming increasingly well know and local conflicts are breaking out across Central America, the capacity for global mobilization in the face of its expansion is still quite limited. In many of these local conflicts, the communities are quite isolated and the response capacity very limited. What explains this situation?

It is evident that the tourism industry benefits from the structural conditions of vast poverty that impede any form of opposition to its expansion in the territory. The expectation of new jobs associated with tourism developments acts as a restraint on a critical interpretation of the consequences of the model. In addition, the tourism industry has managed to build a positive image of the sector and even one of commitment to the conservation of the environment and poverty reduction, as they engage in social actions as part of their corporate social responsibility. Also noteworthy is the fact that the tourism industry has managed to attract allies, such as certain segments of the international cooperation sector, which help to build a favorable image through proposals for "inclusive businesses" inspired in "pro-poor tourism," aimed at demonstrating the potential benefits of the inclusion of local residents in large tourism developments (Cañada & Gascón, 2006; Gascón, 2009). Furthermore, the influence these sectors have on numerous community tourism organizations through funding and technical assistance reduces the autonomy and capacity for action that rural sectors have for defending the commons (Cañada, 2009c; Cañada & Fandiño, 2009).

However, beyond the capacities of these enterprise groups and their allies in different types of structures and institutions, there are other factors that are hindering the development of a global resistance movement and the development of alternatives to the dominant tourism model. One of the principal obstacles is the fact that the bulk of the alter-globalization movement has still not recognized the tourism industry as an important threat compared with the impact of other sectors; for example, extractive industries (mining, hydroelectric facilities, oil, etc.) or the maquila industry. Furthermore, the connections between the union movement and social organizations are still quite weak (Iglesias, 2008; Cañada, 2008).

Action on two fronts is needed in the face of this model of tourism development. On the one hand, there is a need to strengthen the resistance to its expansion and the usurpation and privatization of land, natural resources and common goods. On the other hand, it is also necessary to develop and sustain another, endogenous tourism model, based on a people's economy, centered on proximity and built on the foundation of an alliance between community initiatives and the local small and medium entrepreneur, and public authorities at the service of the vast majority of the Central American population. The most important thing is that the footings for the implementation of this model already exist in Central America. It needs much more public support, visibility and appreciation, but the conditions already exist in the region for sustaining a different tourism development model.

References

ALEDO, Antonio (2008): "De la tierra al suelo: la transformación del paisaje y el Nuevo Turismo Residencial", en *Arbor: Ciencia, Pensamiento y Cultura*, núm. 729, enero-febrero, pp. 99-113.

ARIAS, Ronald & CORONADO, Jorge (2010): "Conflictividad socio-ambiental en la Península de Osa, Costa Rica. El caso de las Marinas Turísticas", en CAÑADA, Ernest (coord.), *Turismo y conflictos socio-ambientales en Centroamérica*, Editorial Enlace, Managua (en prensa).

BAIRES, Sonia (2007): "Dinámica del turismo y desarrollo inmobiliario en El Salvador", ponencia presentada en *Seminario-Taller: Turismo y Desarrollo inmobiliario en Centroamérica*, Fundación PRISMA, San Salvador, 27 y 28 de septiembre.

BELLET, Carmen (2007): "Los espacios residenciales de tipo privativo y la construcción de la nueva ciudad: visiones de privatopía", *Scripta Nova. Revista electrónica de geografía y ciencias sociales*, Universidad de Barcelona, vol. XI, núm. 245 (08).

BLÀZQUEZ, Macià (en prensa): "Lucrarse con el indio. Acumulación por desposesión del capital balear en Centroamérica y El Caribe", *Pueblos.*

BLÀZQUEZ, Macià; CAÑADA, Ernest y GASCÓN, Jordi (2009), "La transnacionalización del capital hotelero balear y de las resistencias ciudadanas", comunicación presentada en el 1er. Congreso COODTUR, 15 y 16 de octubre de 2009, Vila-Seca, Tarragona (en prensa).

BONILLA, Alejandro & MORTD, Matilde (2008): *Turismo y conflictos territoriales en el Pacífico de Nicaragua: el caso de Tola, más allá de los titulares*, Fundación Prisma, San Salvador.

BONILLA, Alejandro & MORTD, Matilde (2010): "Turismo en el municipio de Tola, Nicaragua: exclusión y resistencia local", en CAÑADA, Ernest (coord.), *Turismo y conflictos socio-ambientales en Centroamérica*, Editorial Enlace, Managua (en prensa).

BUADES, Joan (2006): *Exportando paraísos. La colonización turística del planeta*, La Lucerna, Palma de Mallorca.

BUADES, Joan (2009): *Do not disturb Barceló. Viaje a las entrañas de un imperio turístico*, Icaria, Barcelona.

BUADES, Joan (2010): "El legado de Copenhague: la emergencia de una ciudadanía planetaria", Alba Sud, *Opiniones en Desarrollo – Programa Recursos Naturales y Cambio Climático*, núm. 1.

BUTLER, Richard (1980): "The concept of tourism area cycle of evolution: Implication for Management of resources", *Canadian Geographer*, Vol. 24, No.1, pp. 7-27.

CAÑADA, Ernest (2008): "Organización sindical frente a las cadenas hoteleras españolas", Alba Sud, *Opiniones en Desarrollo – Programa Turismo Responsable*, núm. 1.

CAÑADA, Ernest (2009a): "El imperio turístico balear: donde nunca se pone el sol. Entrevista a Joan Buades y Macià Blàzquez, por Ernest Cañada", Alba Sud, *Opiniones en Desarrollo – Programa Turismo Responsable*, núm. 2.

CAÑADA, Ernest (2009b): "Legislar a favor del turismo comunitario: el ejemplo de Costa Rica. Una conversación con Yorlenny Fontana, Kyra Cruz y Olivier Pérez", Alba Sud, *Opiniones en Desarrollo – Programa Turismo Responsable*, núm. 3.

CAÑADA, Ernest (2009c): "Aportes del Turismo Comunitario en los procesos de desarrollo rural de Centroamérica", comunicación presentada en el 1er. Congreso COODTUR, 15 y 16 de octubre de 2009, Vila-Seca, Tarragona (en prensa).

CAÑADA, Ernest (coord.) (2010): *Turismo y conflictos socio-ambientales en Centroamérica*, Editorial Enlace, Managua (en prensa).

CAÑADA, Ernest & GASCÓN, Jordi (2006): *Turismo y Desarrollo. Herramientas para una mirada crítica*, Enlace, Managua.

CAÑADA, Ernest & FANDIÑO, Manuel (2009): *Experiencias de Turismo Comunitario en Nicaragua. Aportes a la economía campesina*, Editorial Enlace, Colección Mejores Prácticas, Managua.

CEPAL (2007): *Turismo y condiciones sociales en Centroamérica. Las experiencias en Costa Rica y Nicaragua*.

CEPAL (2008): *La inversión extranjera directa en América Latina y el Caribe*.

CEPAL (2009): *Enfrentando la crisis. Istmo centroamericano y República Dominicana: evolución económica en 2008 y perspectivas para el 2009.*

CORDERO, Allen (2006); *Nuevos ejes de acumulación y naturaleza. El caso del turismo*, CLACSO, Consejo Latinoamericano de Ciencias Sociales, Buenos Aires.

EQUATIONS (2007): "Expansión del turismo internacional y liberalización de los servicios", en AA.VV.: *Turismo hoy: Ganadores y perdedores*, Editorial Popular, pp. 27-61.

FERNÁNDEZ DURÁN, Ramón (2006): *El tsunami urbanizador español y mundial. Sobre sus causas y repercusiones devastadoras, y la necesidad de prepararse para el previsible estallido de la burbuja inmobiliaria*, Virus, Barcelona.

GALLEGOS, Eddie; LENÍN, Álvaro; DE PRADO, María; VÁZQUEZ-PRADA, Diego (2010): "Urbanizadoras contra el desarrollo. El caso de la Laguna de Apoyo (Nicaragua)", en CAÑADA, Ernest (coord.), *Turismo y conflictos socio-ambientales en Centroamérica*, Editorial Enlace, Managua (en prensa).

GASCÓN, Jordi (2009): *El turismo en la cooperación internacional*, Icaria, Barcelona.

GÓMEZ, Ileana (2008): "Turismo y gestión territorial en Centroamérica: claros y oscuros en un proceso acelerado", en *Aportes para el Diálogo*, Fundación PRISMA, San Salvador.

GÓMEZ, Ileana; KANDEL, Susan; MORÁN, Wilfredo (2009): *Conflictos y respuestas territoriales frente al auge inmobiliario del turismo. El caso del archipiélago de Bocas de Toro*, Fundación PRISMA, San Salvador.

GORMSEN, Erdmann (1997): "The impact of tourism on coastal areas", *GeoJournal*, 42 (1), pp. 39-54.

GRAIN (2008): *¡Se adueñan de la tierra! El proceso de acaparamiento agrario por seguridad alimentaria y de negocios en 2008.*

HARVEY, David (2004): *El nuevo imperialismo*, Akal, Madrid.

HARVEY, David (2007): *Espacios del capital. Hacia una geografía crítica*, Akal, Madrid.

ICEFI (2007): "Incentivos fiscales y su relación con la inversión extranjera en Guatemala y Nicaragua", en *Boletín de Estudios Fiscales*, núm. 8.

ICEFI (2008): "Los nuevos desafíos de Centroamérica frente a la recesión de los EEUU", en *Boletín de Estudios Fiscales*, núm. 9.

IGLESIAS, Enildo (2008): *Las cadenas hoteleras españolas en América Latina y las libertades sindicales*. Rel-UITA, Montevideo.

JIMÉNEZ DE JESÚS, Alfonso (2008): "Las cadenas hoteleras en el mundo y evolución de su operación en México al inicio del siglo XXI", *Innovar*, núm. 18 (32), pp. 167-194.

JIMÉNEZ DE JESÚS, Alfonso (2009): *Cadenas hoteleras: estrategias y territorio en el Caribe mexicano*, Tesis Doctoral, Universidad Nacional Autónoma de México, Facultad de Filosofía y Letras, Departamento de Geografía, México DF.

MARTÍNEZ ALIER, Joan. (2009) [2005]: *El ecologismo de los pobres. Conflictos ambientales y lenguajes de valoración*, Icaria, Barcelona.

MERLET, Michele & JAMART, Clara (2009): *Presiones comerciales sobre la tierra en el mundo. Problemática y marco conceptual de la Coalición Internacional para el Acceso a la Tierra*, International Land Coalition, Serie Knowledge for Change, núm. 6.

MONTERROSO, Iliana (2006): "Comunidades locales en áreas protegidas: reflexiones sobre las políticas de conservación en la Reserva de Biosfera Maya", en Gina Alvarado (et al.), *Los tormentos de la materia. Aportes para una ecología política latinoamericana*, CLACSO, Consejo Latinoamericano de Ciencias Sociales, Buenos Aires, pp. 239-274.

MONTERROSO, Iliana (2007): "Nuevas tendencias y procesos que influyen en el manejo de turismo comunitario en las concesiones forestales comunitarias", Fundación PRISMA, *Memoria del Taller de Intercambio: Desafíos y Potencialidades del Turismo Comunitario en Centroamérica*, Petén, Guatemala, 13 al 16 de noviembre de 2007.

MONTERROSO, Iliana (2010): "¿De qué clase de turismo estamos hablando? Una mirada a los conflictos asociados con la expansión turística dentro de la Reserva de la Biosfera Maya en Guatemala", en CAÑADA, Ernest (coord.), *Turismo y conflictos socio-ambientales en Centroamérica*, Editorial Enlace, Managua (en prensa).

MORERA, Carlos & SANDOVAL, Luis Fernando (2010): "El modelo turístico de Guanacaste, Costa Rica: convivencia y conflicto", en CAÑADA, Ernest (coord.), *Turismo y conflictos socio-ambientales en Centroamérica*, Editorial Enlace, Managua (en prensa).

MURRAY, Iván & BLÀZQUEZ, Macià (2009): "El dinero, la aguja del tejido de la globalización capitalista", *Boletín de la Asociación de Geógrafos Españoles*, núm. 50, pp. 43-80.

NACIONES UNIDAS (2009): *Informe de la Experta independiente sobre la cuestión de las obligaciones de derechos humanos relacionadas con el acceso al agua potable y el saneamiento, Catarina de Alburquerque*, A/HRC/12/24/Add.1, 23 de junio de 2009.

PANTOJAS, Emilio (2006): "De la plantación al resort. El Caribe en la era de la globalización", *Revista de Ciencias Sociales*, núm. 15, pp. 82-99.

PANTOJAS, Emilio (2009): "Turismo y desarrollo económico en El Caribe: las industrias del pecado", Ponencia presentada al *IX Seminario Internacional de Estudios del Caribe Instituto Internacional de Estudios del Caribe*, Universidad de Cartagena, Colombia, 3 al 7 de agosto de 2009.

PRISMA (2009): "Turismo y desarrollo sostenible: avanzar en la descentralización, inclusión y participación local", *Aportes para Políticas*, núm. 2.

PRISMA (2010): “Memoria del Diálogo Regional Crisis global y dinámicas territoriales en Centroamérica: Implicaciones para la construcción de alternativas”, Fundación PRISMA, San Salvador, 14 y 15 de mayo de 2009.

ROMÁN, Isabel (2006): “Diversidad de destinos y desafíos del turismo en Costa Rica: los casos de Tamarindo y La Fortuna”, en Estado de la Nación: *XIII Informe del Estado de la Nación en Desarrollo Humano Sostenible*, San José, cap. 3, pp. 193-225.

ROMÁN, Marcela (2008): *Turismo y desarrollo inmobiliario en la región centroamericana: elementos conceptuales y metodológicos para abordar su investigación*, en *Avance de* Investigación, núm. 5, Fundación PRISMA, San Salvador.

ROMÁN, Marcela (2007): “Desarrollo turístico e inmobiliario costero y preocupaciones ambientales”, en Estado de la Nación: *Ponencias al XIII Informe sobre el Estado de la Nación en Desarrollo Humano y Sostenible*, San José,

ROSA, Herman (2008): *Perfiles y trayectorias del cambio económico en Centroamérica. Una mirada desde las fuentes generadoras de divisas*, Fundación Prisma, San Salvador.

SALAS ROIZ, Alberto (2008): *Desarrollo hotelero e inmobiliario en zonas costeras de Guanacaste*, Cámara Costarricense de Hoteles, San José.

SEGOVIA, Alexander (2005): *Integración real y grupos de poder económico en América Central: Implicaciones para el desarrollo y la democracia de la Región*, Fundación Friedrich Ebert, San José.

SMITH, Neil (2002): “New Globalism, New Urbanism: Gentrification as Global Urban Strategy”, *Antipode*, vol. 34, nº 3, p. 427-450.

TORRES, Olimpia (2009): *Explorando la Ruta de la igualdad: trabajo, género y turismo en Centroamérica*, Fondo de Desarrollo de las Naciones Unidas para la Mujer (UNIFEM) - Oficina Regional para México, Centroamérica, Cuba y República Dominicana, México DF.

VIEHWEIDER, Thomas (2007): “Bahía de Tela: Honduras y el avance del Plan Puebla Panamá”, *Ciepac*, núm. 547, octubre.

VIGNA, Anne (2006): “Les charlatan du turisme vert”, *Le Monde Diplomatique*, juliett.

Alba Sud
research and communication for development

ALBA SUD is a Catalan organization for development research and communications. It is headquartered in Barcelona with branches in Nicaragua, El Salvador and Mexico, focusing its work primarily on Central America and the Caribbean. It produces research and audiovisuals for the following thematic programs: Responsible Tourism, Food Sovereignty, Natural Resources and Climate Change, Communication for Development, and Education for Development.

www.albasud.org
E-mail: info@albasud.org

the author
Ernest Cañada

Ernest Cañada (Barcelona, 1968) is a researcher and social communicator focusing on the issues of tourism and rural development. He is a member of the Group to Research Sustainability and Territory (GIST) of the University of the Balearic Islands, where he is writing his doctoral thesis. Since 2005, he has made his home in Nicaragua. His recent publications include: *Turismo en Centroamérica: un nuevo escenario de conflictividad social*, Editorial Enlace, Managua, 2010 (editor); *Experiencias de Turismo Comunitario en Nicaragua. Aportes a la economía campesina*, Editorial Enlace, Colección Mejores Prácticas, Managua, 2009 (with Manuel Fandiño); *La Soberanía Alimentaria como respuesta y alternativa campesina. Una propuesta pedagógica audiovisual*, Editorial Enlace, Managua, 2009; *Turismo Comunitario en Nicaragua: estudio de los casos de Finca Magdalena y la UCA Miraflor*, International Labor Organization (ILO), Geneva, 2009; *Viajar a todo tren. Turismo, Desarrollo y Sostenibilidad*, Icaria, Barcelona, 2005 (with Jordi Gascón).